**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO**

WILLIAM BASINSKI, individually and on behalf of all others similarly situated, Plaintiff, v. PERMIAN RESOURCES CORP. f/k/a CENTENNIAL RESOURCE DEVELOPMENT, INC.; EXPAND ENERGY CORPORATION f/k/a CHESAPEAKE ENERGY CORPORATION; CONTINENTAL RESOURCES INC.; DIAMONDBACK ENERGY INC.; EOG RESOURCES, INC.; HESS CORPORATION; OCCIDENTAL PETROLEUM CORPORATION; AND EXXONMOBIL CORPORATION, Defendants.	Case No.: **CLASS ACTION COMPLAINT** **JURY TRIAL DEMANDED**

Plaintiff William Basinski ("Plaintiff"), on behalf of himself and all others similarly situated, as defined below, brings this class action for damages against Permian Resources Corporation (f/k/a Centennial Resource Development, Inc.), Expand Energy Corporation (f/k/a Chesapeake Energy Corporation), Continental Resources Inc., Diamondback Energy, Inc., EOG Resources, Inc., Hess Corporation, Occidental Petroleum Corporation, and ExxonMobil Corporation (collectively "Defendants") and alleges as follows:

NATURE OF THE ACTION

1. This action arises from Defendants' unlawful conspiracy to coordinate and restrict production of domestic shale oil, which fixed, raised, maintained and/or stabilized the price of light sweet crude oil throughout the United States. Domestic light sweet crude oil is the

commodity underlying West Texas Intermediate (WTI) Light Sweet Crude Oil futures ("Crude Oil Futures") and options on WTI Light Sweet Crude Oil Futures ("Options on Crude Oil Futures") (together, "Crude Oil Futures and Options"), traded on the New York Mercantile Exchange ("NYMEX").[1] Accordingly, Defendants' conspiracy raised, fixed, maintained and/or stabilized prices of Crude Oil Futures and Options during the period from at least January 1, 2021 to the present ("the Class Period") in violation of the Sherman Antitrust Act, 15 U.S.C. § 1, *et seq.*, the Commodity Exchange Act, 7 U.S.C. § 1, *et seq.* (the "CEA"), and the common law.

2. Shale oil, also sometimes referred to as tight oil, is crude oil that can be found between layers of shale rock, impermeable mudstone, or siltstone that can be extracted, refined, and used to produce diesel fuel, gasoline and other commercial products sold in the United States. Shale oil accounts for 64% of U.S. crude oil production.[2]

3. WTI Crude Oil is light sweet crude oil refined in the United States. The spot price for WTI Crude Oil is the price for immediate delivery of physical WTI Light Sweet Crude Oil, while Crude Oil Futures are contracts that create an obligation to buy or sell WTI Light Sweet Crude Oil on a specific date.

4. Defendants are among the largest U.S. independent shale producers ("Independents") who focus on the exploration, development, and production of domestic shale oil. Even though technological advances increased the profitability of extracting shale oil in the years leading up to Defendants' agreement, the Defendants agreed to limit their production of shale

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[1] NYMEX is a U.S.-based designated contract market that is, and was at all relevant times, owned and operated by CME Group, Inc.

[2] U.S. Energy Information Administration, *Frequently Asked Questions (FAQs)* (last updated Mar. 28, 2024), https://www.eia.gov/tools/faqs/faq.php?id=847&t=6.

oil (in order to align themselves with the supply targets of the Organization of the Petroleum Exporting Companies, commonly referred to as OPEC) and to avoid price competition with each other and OPEC.

5. During the Class Period, Defendants met and communicated with each other, including through meetings and events with OPEC, to coordinate Defendants' collective oil output in order to maintain artificially high prices. After these meetings, Defendants' representatives made public statements confirming these discussions and the exchange of confidential information. Specifically, Defendants' executives would often describe how they discussed Defendants' production plans and strategies, future investment plans, and price targets with each other.

I. JURISDICTION AND VENUE

6. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §§ 1331 and 1337(a) because this action arises under Section 22 of the CEA, 7 U.S.C. § 25, and Section 1 of the Sherman Act, 15 U.S.C. § 1. This court also has jurisdiction over the state law claims under 28 U.S.C. § 1367 because those claims are so related to the federal claim that they form part of the same case or controversy, and under 28 U.S.C. § 1332(d) because the amount in controversy of the Class exceeds $5,000,000 and there are members of the class who are citizens of a different state than Defendants.

7. Venue is proper in the District of New Mexico, pursuant to 28 U.S.C. § 1391(b), (c), and (d), and Section 22 of the CEA, 7. U.S.C. § 25(c). One or more of the Defendants resided, transacted business, were found or had agents in this District. Further, a significant part of the events giving rise to the claims occurred in the District of New Mexico. Much of Defendants' shale

oil production occurs in this District.

8. Defendants, directly and indirectly, made use of the means and instrumentalities of interstate commerce, or the instrumentalities of transportation or communication in interstate commerce, or of the mails in connection with the unlawful acts and practices and courses of business alleged in this Complaint. Crude oil is a commodity that trades in interstate commerce in the United States.

II. PARTIES

A. Plaintiff

9. Plaintiff William Basinski transacted in Crude Oil Futures and Options during the Class Period and was injured and suffered losses from trading at artificial prices proximately caused by Defendants' unlawful manipulation. Defendants manipulated the market for Crude Oil Futures and Options throughout the Class Period, which deprived Plaintiff and the Class of the ability to transact in a lawful market that was free of manipulation. As a direct and proximate result of the wrongdoing alleged herein, Plaintiff was harmed as described below and suffered economic injury as a result.

B. Defendants

10. Defendant Permian Resources Corporation, known as Centennial Resources Development ("Centennial") during much of the relevant period, is a Delaware Corporation headquartered in Midland, Texas. Centennial is an oil and gas production company that acquires and processes shale oil in Texas and New Mexico before selling the resulting shale oil into the U.S. domestic market where it is later refined and disseminated nationwide.

11. Defendant Expand Energy Corporation, known as Chesapeake Energy Corporation

("Chesapeake") during much of the relevant period, is an Oklahoma Corporation headquartered in Oklahoma City, Oklahoma. Chesapeake is an oil and gas production company that acquires and processes shale oil in Louisiana and Pennsylvania, before selling the resulting shale oil into the U.S. domestic market where it is later refined and disseminated across the country. Chesapeake Energy Corporation rebranded as Expand Energy Corporation following an October 1, 2024 merger with Southwestern Energy Company.

12. Defendant Continental Resources Inc. ("Continental") is an Oklahoma Corporation headquartered in Oklahoma City, Oklahoma. Continental is an oil and gas company that acquires and processes shale in North Dakota, Montana, Oklahoma, Texas, and Wyoming, before selling the resulting shale oil into the U.S. domestic market where it is refined and disseminated nationwide.

13. Defendant Diamondback Energy, Inc. ("Diamondback") is a Delaware Corporation headquartered in Midland, Texas. Diamondback is an oil and gas production company that acquires and processes shale oil in Texas, before selling the resulting shale oil into the U.S. domestic market where it is refined and disseminated across the country.

14. Defendant EOG Resources, Inc. ("EOG") is a Delaware Corporation headquartered in Houston, Texas. EOG is an oil and gas production company that acquires and processes shale oil in North Dakota, Wyoming, Colorado, Oklahoma, Texas, New York, Pennsylvania, and New Mexico, before selling the resulting shale oil into the U.S. domestic market where it is refined and disseminated across the country.

15. Defendant Hess Corporation ("Hess") is a Delaware Corporation headquartered in New York, New York. Hess is an oil and gas production company that acquires and processes

shale oil in the North Dakota, before selling the resulting shale oil into the U.S. domestic market where it is refined and disseminated nationwide. Hess also sells refined consumer gasoline across the United States.

16. Defendant Occidental Petroleum Corporation ("Occidental") is a Delaware Corporation headquartered in Houston, Texas. Occidental is an oil and gas production company that acquires and processes shale in Colorado, Texas, and New Mexico, before selling the resulting shale oil into the U.S. domestic market where it is refined and disseminated across the country.

17. Defendant ExxonMobil Corporation ("ExxonMobil") is a New Jersey Corporation headquartered in Spring, Texas. On May 3, 2024, ExxonMobil acquired Pioneer Natural Resources Company. Pioneer Natural Resources Company ("Pioneer") was a Delaware Corporation headquartered in Irving, Texas that acquired and possessed shale oil in Texas before selling resulting shale into the U.S. where it is later refined and disseminated across the nation.

III. FACTUAL ALLEGATIONS

A. Overview of Crude Oil

18. Crude oil is a naturally occurring mixture of hydrocarbons formed from the remains of animals and plants after exposure to heat and pressure under the earth over millions of years.[3] Crude oil is refined into finished petroleum products, including gasoline, diesel fuel, jet fuel, asphalt, and other products.[4]

[3] U.S. Energy Information Administration, *Oil and petroleum products explained*, https://www.eia.gov/energyexplained/oil-and-petroleum-products/ (last accessed June 11, 2025).

[4] U.S. Energy Information Administration, *Oil and petroleum products explained, Refining crude oil*, https://www.eia.gov/energyexplained/oil-and-petroleum-products/refining-crude-oil-inputs-and-outputs.php (last accessed June 11, 2025).

19. Crude oil supply is measured by the number of "barrels" produced (abbreviated bbl), each of which contains 42 gallons of crude oil. Daily oil production is measured in barrels per day, which is at times abbreviated as bpd, b/d, or B/D. Production over longer periods is often measured in millions of barrels (abbreviated as MMbbl)

20. Crude oil comes in light or heavy varieties, which refer to the oil's gravity based on the American Petroleum Institute ("API") gravity measurement scale. Crude oil also comes in sweet or sour varieties, which refer to the oil's sulfur content. Sweet crude has a lower sulfur level, usually defined as less than 1%, while sour crude has a higher sulfur level, usually 1-2%.

21. Heavy oil evaporates slowly and contains material that can be used to make heavy products such as asphalt, while light oil requires less processing and produces a greater percentage of gasoline and diesel than heavy oil.[5]

22. Shale oil production accounts for 64% of total U.S. crude oil production.[6]

23. Crude Oil produced in the United States has varying gravities, but U.S. oil production tends to produce mostly light crude oil, leading the U.S. to import heavier crude oil.[7]

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[5] *Types of Crude Oil: Heavy vs Light, Sweet vs Sour, and TAN count*, Kimray, Inc., https://kimray.com/training/types-crude-oil-heavy-vs-light-sweet-vs-sour-and-tan-count (last accessed June 11, 2025).

[6] *See*, *Tools*, *supra* n.2.

[7] U.S. Energy Information Administration, *The United States produces lighter crude oil, imports heavier crude oil*, Today In Energy (Oct. 11, 2022), https://www.eia.gov/todayinenergy/detail.php?id=54199

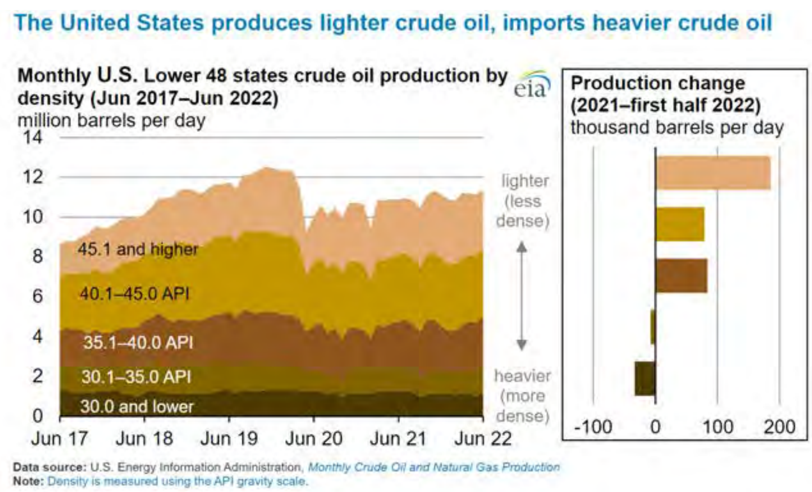

Figure 1.

24. Nearly all U.S. light crude oil is produced domestically, as shown in the chart below:[8]

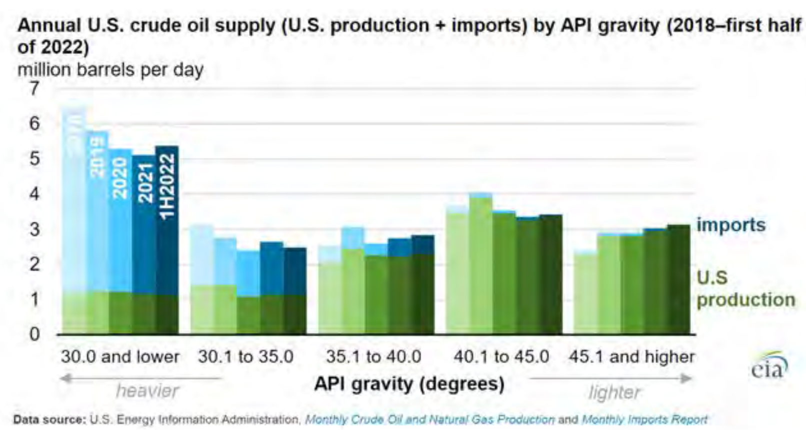

Figure 2.

B. Crude Oil Futures and Options

25. The CME Group, Inc. ("CME") is the parent company of the world's leading derivatives marketplace, and owns four U.S.-based exchanges: the Chicago Mercantile Exchange;

[8] *Id.*

the Chicago Board of Trade ("CBOT"); the New York Mercantile Exchange ("NYMEX"); and The Commodity Exchange ("COMEX"). Each exchange offers a wide range of futures and options across all major asset classes.[9]

26. NYMEX, a designated contract market, offers products subject to NYMEX rules and regulations, including the NYMEX Rulebook. When NYMEX and COMEX became a part of the CME Group in 2008, they brought an expansive selection of energy products as well as metals and agricultural contracts to the existing product offering.[10]

27. One of the products offered on NYMEX is West Texas Intermediate (WTI) Light Sweet Crude Oil Futures and Options. WTI Crude Oil Futures and Options are "the most efficient way to trade the largest light, sweet crude oil blend."[11]

28. A Crude Oil Futures contract is a standardized agreement for the purchase and sale of 1,000 barrels of crude oil at a specified price at a specified time in the future.

29. A Crude Oil Options Contract is an agreement that gives the buyer or "option holder," the right, but not the obligation, to either buy or sell crude oil at a specified price during a specified time period. The buyer of an option pays an "option premium" to the seller for the right to buy (call) or sell (put) the underlying commodity (in this case, Crude Oil).

30. Domestic light sweet crude oil, with certain characteristics common to such oil, is the deliverable commodity underlying Crude Oil Futures. This oil must be contained in one of

[9] *NYMEX*, CME Group, https://www.cmegroup.com/company/nymex.html (last accessed June 11, 2025).

[10] *Id.*

[11] *Crude Oil, Futures and Options*, CME Group, https://www.cmegroup.com/markets/energy/crude-oil/light-sweet-crude.html (last accessed June 11, 2025).

three major pipelines and delivered in Cushing, Oklahoma—a central crude oil pipeline hub. The exact specifications for domestic crude oil to be deliverable pursuant to a Crude Oil Futures contract are set out in Chapter 200 of the NYMEX Rulebook.[12]

31. As noted above, a large majority (64% or more) of domestic light, sweet crude oil is shale oil.[13] In 2022, Defendants produced up to one quarter of all crude oil produced in the continental United States. A significant portion of that production was concentrated in shale oil production areas such as the Permian Basin, the Niobrara, and the Bakken.

32. These three areas represent more than fifty percent of the inbound pipeline capacity into the WTI, Cushing settlement area. As significant producers in these areas, Defendants had the ability to influence, and did in fact artificially influence, spot prices and futures prices for WTI crude oil.

C. Defendants' Conspiracy Affects the Prices of Physical Crude Oil and NYMEX Crude Oil Futures and Options

33. As detailed below, Defendants' agreement to control U.S. shale oil output increased and maintained artificially high prices and manipulated both the price of physical crude oil and WTI Crude Oil Futures and Options.

34. This relationship makes sense. Crude Oil is the commodity underlying Crude Oil Futures. Any price changes in one instrument are very quickly transmitted and imputed in the other.

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[12] CME Group, *Chapter 200 Light Sweet Crude Oil*, NYMEX Rulebook, https://www.cmegroup.com/content/dam/cmegroup/rulebook/NYMEX/2/200.pdf (last accessed Aug. 16, 2024).

[13] U.S. Energy Information Administration, *Frequently Asked Questions (FAQs)* (last updated Mar. 28, 2024), https://www.eia.gov/tools/faqs/faq.php?id=847&t=6.

D. History of OPEC and the Rise of U.S. Shale Oil

1. OPEC

35. OPEC was formed in Baghdad, Iraq in 1960 by five nations—Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela—with the collective goal of influencing the global petroleum market and maximizing profits. The organization has since expanded to thirteen members and is headquartered in Vienna, Austria.[14] OPEC controls roughly 40% of the world's oil production and exerts its market power over global oil prices by coordinating its members' respective production levels.[15]

36. From 2000 to 2013, OPEC exerted its influence to control international oil prices by supporting the oil sector, reducing inventory levels, and stabilizing both the oil sector and the energy market.[16]

37. In 2014, OPEC lost its ability to exert complete control over global oil prices due to the rise of North American shale oil producers. OPEC, aided by its Russian ally, sought to limit the influence of North American shale by flooding world markets with crude in a bid to re-establish OPEC's dominance.[17] However, by implementing new technologies and cost-cutting measures and focusing on the most productive shale moves to remain competitive, U.S. shale producers were

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[14] U.S. Energy Information Administration, *What is OPEC+ and how is it different from OPEC?*, EIA (May 9, 2023), https://www.eia.gov/todayinenergy/detail.php?id=56420 ("*What is OPEC*").

[15] Anshu Siripurapu & Andrew Chatzky, *OPEC in a Changing World*, COUNCIL ON FOREIGN RELS. (Mar. 9, 2022 2:25 p.m.-EST), https://www.cfr.org/backgrounder/opec-changing-world.

[16] OPEC, *Brief History,* https://www.opec.org/brief-history.html (last accessed June 13, 2025).

[17] David Wethe, et al., *Shale's Private Army Ramping Up Means Supply Wild Card for OPEC*, BLOOMBERG LAW (Mar. 1, 2021), https://www.bloomberg.com/news/articles/2021-03-01/shale-s-private-army-ramping-up-means-supply-wild-card-for-opec ("*Shale's Private Army*").

able to remain competitive despite OPEC's price drop.[18] This time period (2014-2016) became known as the ***"OPEC Price War."***

38. In 2016, largely in response to dramatically falling oil prices driven by significant increases in the U.S. shale output, OPEC signed an agreement with ten other oil-producing countries (most notably Russia,), to create what is now known as OPEC+.

2. Fracking & The Shale Revolution

39. Fracking—the process of injecting liquid at a high pressure into subterranean rocks to force open existing fissures and extract oil or gas—changed everything. Within eight years of the first commercial shale operation coming online in Texas in 2002, U.S. shale producers were pumping enough shale oil to reverse a 35-year trend of declining U.S. crude oil production. This led to the fastest increase in domestic crude oil production in U.S. history, or the so-called Shale Revolution.[19]

40. Shale production posed a competitive threat to OPEC. Unlike the largest oil producers, or supermajors, who usually invest in decades-long traditional drilling projects, shale oil wells: (a) require smaller capital commitments; (b) can be drilled in two to four weeks; (c) can be brought online within months; and (d) allow for production to be comparatively front-loaded.[20]

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[18] Steve Mufson, *Is the oil world big enough for two swing producers?*, WASHINGTON POST (Sept. 29, 2016), https://www.washingtonpost.com/business/economy/is-the-oil-world-big-enough-for-two-swing-producers/2016/09/29/ce4e96f0-85f7-11e6-a3ef-f35afb41797f_story.html.

[19] Robert Rapier, *How The Shale Boom Turned the World Upside Down*, FORBES (Apr. 21, 2017 8:00 a.m.-EDT), https://www.forbes.com/sites/rrapier/2017/04/21/how-the-shale-boom-turned-the-world-upside-down/#:~:text=In%20the%20process%2C%20the%20U.S.,world's%20largest%20natural%20gas%20producer.&text=The%20dramatic%20shift%20in%20the,share%20that%20was%20being%20lost.

[20] Ryan Moore, *The Numbers: The Permian Excels*, PHEASANT ENERGY (last updated Apr. 1, 2025), https://www.pheasantenergy.com/the-numbers-the-permian-excels (Pioneer, the largest

As a result, the production of crude oil from shale wells is more responsive to changing prices and real-time market conditions than traditional drilling methods used by the supermajors.

41. However, the Independents are like the supermajors in one quintessential way which is problematic for OPEC: they are subject to the Sherman Act. Meaning, that while U.S. shale would come to produce as much oil as the largest OPEC and OPEC+[21] nations, the Defendants were not permitted to make industry-wide production decisions or set industry-wide price targets. Thus, U.S. shale producers were a group of relatively smaller producers, bound to compete with each other and OPEC.

42. Subsequently, U.S. shale's arrival in early 2010 was a horror for OPEC. The U.S. shale movement was nicknamed "Cowboyistan"[22] after the Independent's "drill-first, ask-questions-later business model."[23]

3. OPEC Price War (2014-2016)

43. In mid-2014, OPEC made the deliberate decision to maintain, rather than to reduce, its production levels to win back the market share it had lost to Independents, and to push oil prices

acreage holder in the Midland Basin of the Permian, reported that as of 2018, it was taking Pioneer approximately 15 to 20 days to drill a well down 10,000 feet and horizontal out to 20,000 feet).

[21] By 2018, the United States eclipsed Saudi Arabia and Russia as the largest oil producer in the world. Devin Krishna Kumar, *U.S. expected to end 2018 as world's top oil producer: EIA*, REUTERS (Dec. 11, 2018), https://www.reuters.com/article/us-usa-oil-eia-outlook/u-s-expected to-end-2018-as-worlds-top-oil-producer-eia-idUSKBN1OA21D.

[22] Christopher Helman, *Welcome to Cowboyistan: Fracking King Harold Hamm's Plan for U.S. Domination of Global Oil*, FORBES (Mar. 9, 2015), https://www.forbes.com/sites/christopherhelman/2015/03/09/welcome-to-cowboyistan-fracking-king-harold-hamms-plan-for-u-s-domination-of-global-oil/.

[23] Barney Jopson, *Fracking: The Energy revolution that shook the world*, FINANCIAL TIMES (May 6, 2015), https://www.ft.com/content/6fab1192-f30d-11e4-a979-00144feab7de.

to a level that would render U.S. shale no longer economically viable.[24] This marked the beginning of the OPEC Price War.

44. Notwithstanding OPEC's efforts to drive U.S. Independents out of the market, the U.S. shale market continued forward, partly due to the technological advancements and accumulating experience that were going on in the nascent shale industry, which were driving breakeven points lower for shale.[25] This allowed Independents to exploit less productive shale plays profitably.[26]

45. By implementing cost-cutting measures and focusing on the most productive shale plays to remain competitive in the lower-price environment, many U.S. shale producers, including

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[24] Siripurapu & Chatzky, *supra* n.7; Javier Blas, *Wall Street is Finally Going to Make Money Off the Permian*, BLOOMBERG (Apr. 24, 2023 7:00 p.m.-EDT), https://www.bloomberg.com/opinion/articles/2023-04-24/higher-oil-prices-means-wall-street-s-shale-investments-will-finally-pay-off?embedded-checkout=true (In February 2016, Saudi Arabia's Oil Minister Al-Naimi warned U.S. shale producers, "[l]ower costs, borrow cash, or liquidate.").

[25] In the beginning of 2014, "Rystad Energy estimated the average breakeven price for tight oil to be $82 per barrel," but by 2018, the average breakeven price reported had dropped to $47 per barrel, and by 2021, $37 per barrel. *See Rystad Energy: As falling Costs Make New Oil Cheaper to Produce, Climate Policies May Fail Unless they Target Demand*, ROGTEC MAGAZINE (Nov. 17, 2021), https://www.rogtecmagazine.com/rystad-energy-as-falling-costs-make-new-oil-cheaper-to-produce-climate-policies-may-fail-unless-they-target-demand/; Maitham A. Rodhan, *The Effect of US Shale Oil Production on Local and International Oil Markets*, 13 INT'L J. OF ENERGY ECONS. & POLICY 4 (Jul. 2023), https://econjournals.com/index.php/ijeep/article/view/14455 ("This continuous decrease in the break-even price of shale oil made the U.S. shale oil industry more flexible to face fluctuations in oil prices" and "[d]espite the drop in prices from about $100 a barrel in 2014 to $64 a barrel in 2019, shale oil production has doubled by 100% during this period.").

[26] A shale oil "play" refers to a specific geographic area or region where shale formations contain significant amounts of oil that can be economically extracted. The top three shale oil plays in the U.S. are the Permian Basin in Texas and New Mexico (40% of all U.S. crude production in 2022), the Bakken Formation in North Dakota and Montana, and Eagle Ford in Texas. Technological advancements have made more shale oil plays economically viable over time.

Defendants, continued to drill at consistent levels despite the price drop caused by OPEC's Price War.[27]

46. Following this period of lower prices and competition, OPEC wanted to show Defendants how OPEC and Defendants could all increase profitability by limiting supply. As part of these efforts, OPEC began hosting regular dinners and events "to better understand private sources of financing that allowed new companies to emerge" and "[o]ver time, the dinners grew more collegial."[28] Many of these meetings occurred during the CERAWeek Conference, held in Houston, Texas.

47. On March 6-10, 2017 at the CERAWeek Conference, the former Nigerian politician and then-OPEC General Secretary Mohammed Barkindo dined with about two dozen U.S. shale executives, including Scott Sheffield of [Defendant] Pioneer Natural Resources, Co., John Hess of [Defendant] Hess Corp., Robert Douglas Lawler of [Defendant] Chesapeake Energy Corp. and Tim Leach of Concho Resources Inc."[29] This meeting was described as "unusual"[30] and meetings

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[27] Steven Mufson, *Is the Oil World Big Enough for Two Swing Producers?*, THE WASHINGTON POST (Sept. 29, 2016 2:45 p.m.-EDT), https://www.washingtonpost.com/business/economy/is-the-oil-world-big-enough-for-two-swing-producers/2016/09/29/ce4e96f0-85f7-11e6-a3ef-f35afb41797f_story.html.

[28] Liz Hampton, *As Oil Prices Soar, U.S. Shale, OPEC in no Rush to Resume Price War*, REUTERS (Mar. 10, 2022 5:58 p.m.-EST), https://www.reuters.com/business/energy/ceraweek-oil-prices-soar-us-shale-opec-no-rush-resume-price-war-2022-03-10/#:~:text=14%20hours%20ago-,As%20oil%20prices%20soar%2C%20U.S.%20shale%2C%20OPEC%20in%20no,rush%20to%20resume%20price%20war&text=March%2010%20(Reuters)%20%2D%20U.S.,rush%20to%20rapidly%20boost%20production.

[29] Javier Blas & Grant Smith, *OPEC Head to Meet with U.S. Shale Producers for Dinner Next Week*, BLOOMBERG (updated Feb. 27, 2018 5:52 p.m.-EST), https://www.bloomberg.com/news/articles/2018-02-27/opec-head-to-meet-u-s-shale-oil-producers-for-dinner-next-week.

[30] *Id.*

during this conference "opened a communication channel between shale companies and OPEC countries."[31] Scott Sheffield of Pioneer commented, "I'm seeing a series of meetings where OPEC is reaching out and spending more time with US [I]ndependents than I have seen over my entire career."[32]

48. The 2017 CERAWeek served as a channel for OPEC's Secretary General to "garner views and opinions from other senior oil industry executives" in "bi-lateral" meetings with shale executives, according to Defendant Hess's CEO, John Hess.[33] Following a dinner with OPEC officials, Hess told Bloomberg, "It was a very good exchange of information and views about oil . . . I really commend the OPEC Secretary General for outreach. It was a good talk."[34] OPEC's Secretary General confirmed everyone was on the same page regarding the collective need to work to achieve price stability because "no-one wants to see a repeat of 2015 and 2016."[35]

49. During this 2017 CERAWeek conference, OPEC and the Independents "agreed in principle that the market should be better balanced and lower inventories would be beneficial to everyone . . . [but] shale producers signaled they weren't ready to give up on the growth they see

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[31] *Id.*

[32] David Wethe, *Oil to Hit $40 if OPEC Fails to Expand Cuts, Pioneer Says*, BLOOMBERG, (updated Mar. 8, 2017 12:01 a.m.-EST), https://www.bloomberg.com/news/articles/2017-03-07/pioneer-s-sheffield-sees-40-oil-if-opec-doesn-t-extend-cuts?embedded-checkout=true#xj4y7vzkg.

[33] CERAWeek 2017: Encouragement & engagement, 47 OPEC BULLETIN 2, (Mar./Apr. 2017), https://www.opec.org/assets/assetdb/bulletin-2017-04.pdf, at 16.

[34] Javier Blas, *OPEC Said to Break Bread with Shale in Rare Show of Détente*, BLOOMBERG (updated on Mar. 7, 2017 10:34 a.m.-EST), https://www.bloomberg.com/news/articles/2017-03-07/opec-said-to-break-bread-with-shale-in-rare-show-of-detente.

[35] OPEC BULLETIN, *supra* n.33, at 15.

ahead," or at least not yet.[36]

50. Shortly after this conference, Saudi Arabia's Energy Minister Khalid Al-Falih explained clearly what OPEC believed the Defendants, the U.S. shale producers, had agreed to. Al-Falih said that if U.S. Independents wanted to collaborate, there would be no "free rides" on OPEC production cuts, and that Defendants would need to follow supply guidance when the time comes.[37]

51. Later that year, OPEC Secretary General Barkindo told reporters that Defendants were "beginning to ask questions about how to proceed [alongside OPEC] in a more responsible manner."[38] Barkindo explained that "[t]here is a general understanding that this downturn [caused by the price was] was not in the interest of anybody"[39] and "[a]s much as we felt the pinch so did they."[40]

52. In February 2018—when discussing plans to meet with U.S. shale executives for the second year in a row at the 2018 CERAWeek conference—Barkindo explained, "[i]t's a fulfillment of our common desire to continue the dialogue as agreed last year on the sidelines of CERAWeek."[41] Barkindo further explained that OPEC and U.S. shale had a "shared

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[36] Blas, *supra* n.34.

[37] Ron Bousso, *Exclusive - Saudis Tell U.S. Oil: OPEC Won't Extend Cuts to Offset Shale - Sources*, REUTERS (Mar. 9, 2017 4:42 p.m.-EST), https://www.reuters.com/article/us-ceraweek-saudishale/exclusive-saudis-tell-u-s-oil-opec-wont-extend-cuts-to-offset-shale-sourcesidUSKBN16G2TJ.

[38] Anjli Raval, *OPEC Secretary General: 'No Doubt' Oil Market is Re-Balancing*, FINANCIAL TIMES (Oct. 19, 2017), https://www.ft.com/content/89ddcf13-f338-315a-99ba-366256c7266a.

[39] *Id.*

[40] *Id.*

[41] Blas & Smith, *supra* n.29.

responsibility" towards the oil markets.[42] According to Barkindo, the 2018 CERAWeek dinner between OPEC and U.S. shale producers, including Defendants, was organized to further explore the mechanics of achieving our common objective of stable production volumes and prices.[43]

53. On March 5, 2018, OPEC officials met with U.S. shale executives at "The Grove" restaurant and Barkindo gave a speech to dinner attendees. Afterwards, Pioneer's then-CEO Tim Dove summarized his speech to a reporter as an exchange of OPEC's forward-looking views on the oil market.[44]

54. OPEC representatives, including Equatorial Guinea's petroleum minister, described the meeting between OPEC and U.S. shale executives as much more than generalizations, with the key takeaway being a shared commitment to the exchange of confidential production information: "The key thing is that information is shared about our projections; it really helps everybody . . . the important thing is to know how much [U.S. shale oil producers] are investing and their projections because usually they have good statistics."[45] The petroleum minister explained that by sharing this information, "we are [] avoiding volatility," or put differently—Defendants agreed to share confidential information with one another to coordinate production decisions in order to maintain artificially high crude oil prices rather than allowing market forces

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[42] *Id.*

[43] *Id.*

[44] Ernest Scheyder and Ron Bousso, *CERAWEEK-U.S. Shale and OPEC Share Steak in Uneasy Truce at Houston Dinner*, REUTERS (Mar. 7, 2018 1:00 a.m.-EST), https://www.reuters.com/article/ceraweek-energy-opec-shale/rpt-%20ceraweek-u-s-shale-andopec-share-steak-in-uneasy-truce-at-houston-dinner-idUKL2N1QP05R/.

[45] *Id.*

to dictate outcomes.[46]

55. Barkindo confirmed that OPEC and the U.S. shale executives had an open conversation about the current state of the cycle and compared notes from our experiences during these cycles, as well as how we should proceed going forward. Barkindo was very surprised by the high-level of turnout, as well as the interest U.S. shale executives showed in continuing this energy dialogue.[47]

56. In the words of an anonymous U.S. shale executive: Cowboyistan had parlayed their successful price-war resistance into a seat at OPEC's "table on pricing."[48] In other words, after successfully competing with OPEC with expanded shale opportunities and technological advances, Defendants understood that if they agreed with one another to limit crude oil production and maintain artificially high crude oil prices they could profit handsomely even without added exploration and drilling.

57. The chart below illustrates what it looked like when Defendants continued to compete on the global stage without agreeing to suppress supply:

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[46] *Id.*

[47] *OPEC bulletin Special Edition: OPEC international energy dialogues*, OPEC (May 9, 2018), at 53 ("OPEC Bulletin"), available at Wayback Machine, https://web.archive.org/web/20240412114931/https://www.opec.org/opec_web/static_files_project/media/downloads/publications/OB022019.pdf

[48] Alex Lawler & Ernest Scheyder, *OPEC to Meet with U.S. Shale Firms in Houston on Monday: Sources*, REUTERS (Feb. 27, 2018 1:25 p.m.-EST), https://www.reuters.com/article/us-oil-opecusa/opec-to-meet-with-u-s-shale-firms-in-houston-on-monday-sources-idUSKCN1GB2KP.

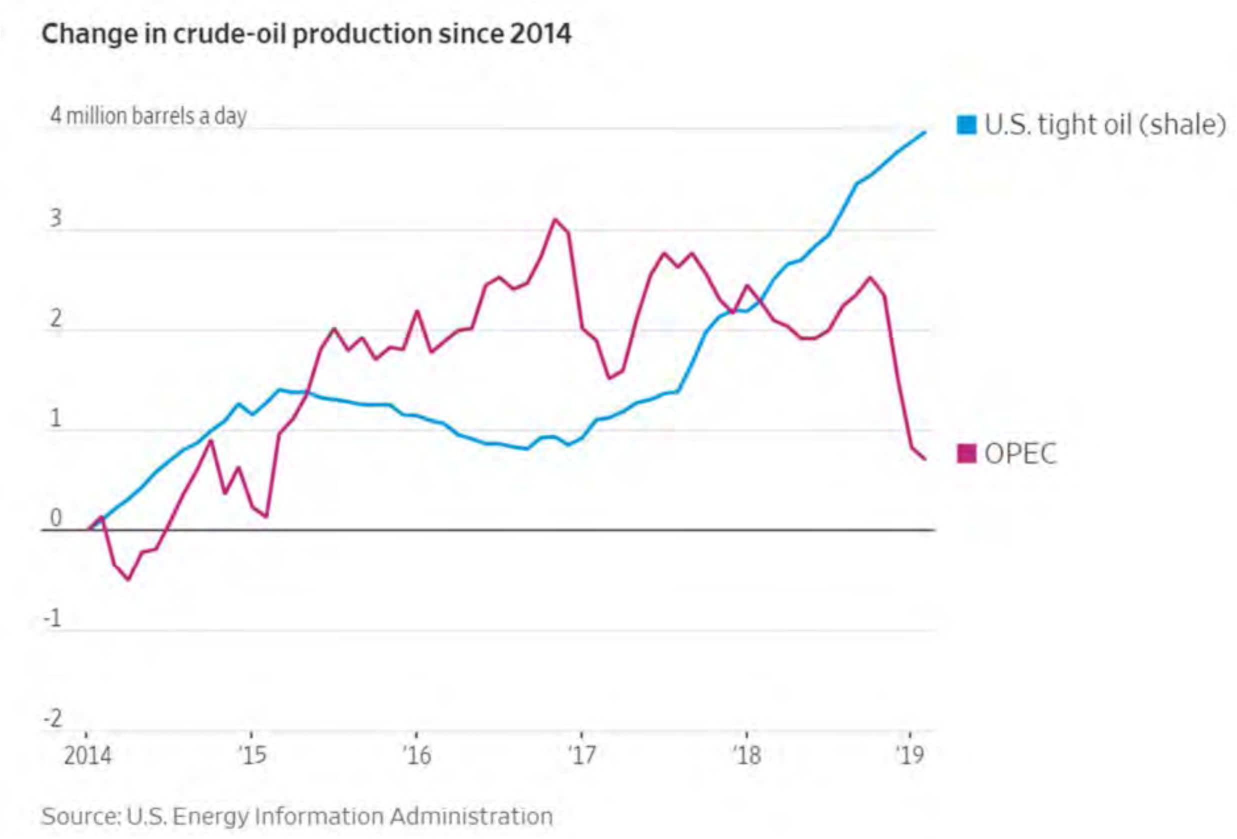

Figure 5

58. In the wake of the 2018 conference, Defendant Continental's CEO Harold Hamm "appeared . . . to be trying to reach a more conciliatory tone with OPEC producers" and, in May 2018, even "attended a board meeting of Saudi Aramco, the oil producer controlled by OPEC's largest member, Saudi Arabia."[49]

59. Following the 2018 CERAWeek dinner, Barkindo invited U.S. shale officials to

[49] Ernest Scheyder, *Continental Resources CEO Harold Hamm pulls out of OPEC meeting*, REUTERS (June 18, 2018 12:30 p.m.-EDT), https://www.reuters.com/article/markets/currencies /continental-resources-ceo-harold-hamm-pulls-out-of-opec-meeting-idUSKBN1JE1VV/.

join him at an OPEC summit in Vienna in June 2018.[50] Defendant's executives Scott Sheffield (Pioneer) and John Hess (Hess) attended the summit. At the event, Sheffield spoke for all Defendants when he said, OPEC "need[s] to put together some kind of deal to phase into the market. None of us want $80 to $100 [per barrel] oil, that's too high. There's a sweet spot between $60 and $80."[51] Sheffield stated, "OPEC needs to fulfill its duty."[52]

60. The 2018 OPEC summit in Austria was the first time Defendants publicly admitted the fact that they were doing more than just passively listening to OPEC. Sheffield admitted speaking to the OPEC panel about Defendants' and OPEC's volumes, and the effects on global oil prices: "My message yesterday as I spoke to the panel was that it's important that OPEC increases production somewhat to make up for the difference . . . If they don't we are going to see $100 oil or higher."[53]

61. Sheffield's "premonition" became a reality. Two days before OPEC's June 22, 2018 production negotiation, Sheffield predicted to Bloomberg the exact amount of OPEC's production change.[54]

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[50] Patti Domm, *OPEC Wants to Take Its Relationship with US Shale Producers to the Next Level*, CNBC (Mar. 6, 2018), https://www.cnbc.com/2018/03/06/opec-wants-to-take-its-relationship-with-us-shale-producers-to-the-next-level.html.

[51] Ernest Scheyder, *U.S. Shale Executive Pushes OPEC to Gradually Boost Output*, REUTERS (June 20, 2018 1:00 p.m.-EDT), https://www.reuters.com/article/oil-opec-pioneer-natl-rsc-idINKBN1JG2OB.

[52] *Id.*

[53] Bloomberg Daybreak: Americas, *Pioneer Chairman Sees an OPEC Increase of Up to 600,000 B/D*, BLOOMBERG (Jun. 21, 2018 10:02 a.m.-EDT), https://www.bloomberg.com/news/videos/2018-06-21/pioneer-chairman-sees-an-opec-increase-of-up-to-600-000-b-d-video.

[54] *Compare id.* (Sheffield: "The soft number will be around 5-600,000 [bpd], they might announce 1 million . . . and that will phase in over the next few months.") *with* Rania El Gamal, et al., *OPEC agrees modest hike in oil supply after Saudi and Iran compromise*, REUTERS (Jun. 22, 2018 1:51

62. In January 2019 at the Davos World Economic Forum, OPEC's Secretary General sat on a panel with John Hess, CEO of Defendant Hess Corp, Vicki Hollub, CEO of Defendant Occidental, and Dan Yergin, Vice Chairman of IHS Markit.[55]According to Reuters, Hess and Hollub both "said that [the] growth of U.S. shale oil output would slow" in the near future.[56]

63. In March 2019 U.S. shale executives met with OPEC members during CERAWeek, for the third consecutive year. Bloomberg reported that "[t]he event has become an informal communication channel between the cartel and fast-growing shale producers."[57] Secretary General Barkindo—when discussing his upcoming meeting with U.S. shale executives—shared, "[w]e initiated a valuable dialogue with the U.S. shale producers two years ago in the midst of the last cycle and we agreed to continue the dialogue because we broke barriers . . . It is essential we continue the conversation with U.S. shale industry."[58]

64. Subsequently, Barkindo reported that a Monday night dinner attended by CEOs John Hess (Hess), Vicki Hollub (Occidental), Mark Papa (Centennial), and Travis Stice (Diamondback) included a "friendly conversation on current industry issues and the immediate

p.m.-EDT), https://www.reuters.com/article/us-oil-opec/opec-agrees-modest-hike-in-oil-supply after-saudi-and irancompromise-idUSKBN1JI0OG/ ("Saudi Arabia said the move [increase in production] would translate into a nominal output rise of around 1 million barrels per day (bpd), or 1 percent of global supply. Iraq said the real increase would be around 770,000 bpd[.]").

[55] IHS performs market analyses on behalf of OPEC member nations.

[56] Dmitry Zhdannikov, *U.S. Oil Firms Tell OPEC Their Growth Will Slow*, REUTERS (Jan. 23, 2019 10:29 a.m.-EST), https://www.reuters.com/article/uk-davos-meeting-opec-usa-idUKKCN 1PH1TG.

[57] Javier Blas and Kevin Crowley, *OPEC to Break Bread With Shale Competitors for Third Year*, BLOOMBERG (Mar. 11, 2019), https://www.businesstimes.com.sg/companies-markets/energy-commodities/opec-break-bread-shale-competitors-third-year.

[58] *Id.*

prospects and challenges for all."[59] CEO Stice spoke with reporters and mentioned a "very good session" occurred between OPEC and Defendants, highlighting that the meeting featured "open dialogue on some of the things that are going on in the U.S. shale revolution, U.S. oil production and the associated balance of what's going on in our industry."[60]

65. In January 2019, OPEC and its allies began new production cuts, agreeing to reduce supply by 1.2 million bpd over the next six months.[61] After the cuts were announced, Reuters reported that "U.S. shale producers cheered OPEC's decision to trim output, a move that sent crude prices higher [when announced] closing at levels that [shale] oil executives said would keep their profits flowing.[62] Barkindo also indicated that OPEC and allies will continue supply adjustments through 2019 at CERAWeek 2019.

4. 2021: Defendants form an Agreement

66. Prior to the start of the Defendants' conspiracy, analysts predicted that 2019 would be the start of the second wave of the U.S. Shale revolution, which should have been concerning for OPEC because U.S. oil output was expected to grow by 1.4 million barrels a day this year, to

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[59] *CERAWeek 2019 in Review – New World of Rivalries: Reshaping the Energy Future*, CERAWEEK.COM (Mar. 2019), https://cdn.ihsmarkit.com/www/pdf/0819/CW19Review.pdf.; Javier Blas & Rachel Adams-Heard, *OPEC Splits Avocado Appetizer with Shale Adversaries in Texas,* BLOOMBERG (updated Mar. 12, 2019 1:12 a.m.-EDT), https://www.bloomberg.com/news/articles/2019-03-11/opec-to-break-bread-with-shale-rivals-in-houston-for-3rd-year#xj4y7vzkg.

[60] *Id.*

[61] Alex Lawler, *OPEC posts first 2019 oil-output rise despite Saudi cuts*, REUTERS (Aug. 30, 2019 11:21 a.m.-EDT), https://www.reuters.com/article/us-oil-opec-survey-idUSKCN1VK1YD.

[62] Jennifer Hiller, *U.S. shale producers see OPEC pullback helping 2019 profits*, REUTERS (Dec. 8, 2018 5:25 p.m.-EST), https://www.reuters.com/article/business/u-s-shale-producers-see-opec-pullback-helping-2019-profits-idUSKBN1O62FF/#:~:text=HOUSTON%20(Reuters)%20%2D%20U.S.%20shale,would%20keep%20their%20profits%20flowing.

average 12.4 million barrels a day.[63]

67. However, this "second wave" never occurred. In 2020, the COVID-19 pandemic sent demand for gasoline plummeting, which significantly impacted world oil markets. Worldwide oil production fell,[64] and the U.S. shale oil industry consolidated and suffered as production fell and smaller Independents went bankrupt.[65]

68. During this economic turmoil, Defendants and OPEC signaled to each other their willingness to end their price war and market share competition once and to collaborate on their respective production levels and crude oil prices. In July 2020, OPEC's Secretary General made it clear that OPEC can inflate and sustain high crude prices if Defendants chose to do so: "We were able to reach out to the U.S. [I]ndependents and we had established a line of communication with them. We have reached some level of comfort among ourselves. They have been participating also at their own levels to ensure that this conversation is inclusive and is led by the biggest producers."[66]

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[63] Christopher Alessi, *Second Wave of U.S. Shale Revolution Is Coming, Says IEA*, Wall Street Journal (Mar. 11, 2019), *available at* https://www.wsj.com/articles/second-wave-of-u-s-shale-revolution-is-coming-says-iea-11552292355.

[64] Charles Riley, *Oil prices surge as OPEC and its allies extend production cuts*, CNN BUSINESS (Mar. 4, 2021 4:17 p.m.-EST), https://www.cnn.com/2021/03/04/investing/opec-oil-prices-saudi-russia (due to the global Coronavirus pandemic and market panic, OPEC members agreed to "slash[] output [of crude oil] by a record-shattering 9.7 million barrels per day").

[65] Irina Slav, *Shale Executives See Little Chance of Significant Growth*, OILPRICE.COM via BUSINESS INSIDER (Dec. 6, 2020 12:00 p.m.), https://markets.businessinsider.com/news/stocks/shale-executives-see-little-chance-of-significant-growth-1029867633 ("Between January and October, 43 oil and gas producers in North America filed for bankruptcy protection. Most of them were from the shale patch.").

[66] *OPEC Secretary General: No objective to drive US shale out of business*, OIL & GAS JOURNAL (Jul. 9, 2020), https://www.ogj.com/general-interest/article/14179258/opec-secretary general-no-objective-to-drive-us-shale-out-of-business.

69. On November 28, 2020, Defendant EOG Resources' CEO Bill Thomas confirmed Defendants' willingness, as a group, to follow OPEC's lead on pricing: "In the future, certainly we believe OPEC will be the swing producer—really, totally in control of oil prices… We don't want to put OPEC in a situation where they feel threatened, like we're taking market share while they're propping up oil prices."[67] In other words, Thomas explained that Defendants had agreed to stop competing for market share.

70. When the world emerged from the pandemic in 2021, gasoline demand surged, and with it, so did crude oil prices, reaching nearly $70 a barrel in March 2021. As OPEC and OPEC+ countries emerged from the pandemic, they collectively withheld production to push up prices further.

71. Defendants also responded to rising prices by withholding production, suddenly (and in near unison) preaching supply "discipline" for the first time in the history of the U.S. shale industry. This signified the effective start of Defendants' agreement to limit supply and maintain artificially high oil prices. Over the course of 2021, Defendants continued to signal to each other and the market that they were no longer competing for market share or willing to act as swing producers:

a) During a February 2021 interview, Defendant Chesapeake CEO Doug Lawler explained that U.S. shale producers were entering a "new era" of shale production that

[67] Kevin Crowley, et al., *The Pandemic Has Broken Shale and Left Oil Markets in OPEC Hands*, BLOOMBERG (Nov. 28, 2020 7:00 a.m.-EST), https://www.bloomberg.com/news/articles/2020-11-28/the-pandemic-has-broken-shale-and-left-oil-markets-in-opec-hands.

"require[d] a different mindset" of "more discipline and responsibility."[68] Pioneer CEO Scott Sheffield agreed and predicted that small companies would increase output but in the aggregate U.S. output would remain flat, even if crude prices go above $60, as the large U.S. Independents would jointly practice discipline.[69]

b) In March 2021 and on the same day OPEC announced supply restrictions, Defendant Occidental CEO Vicki Hollub said that despite a "healthier supply and demand environment" and "a V-shaped" post-pandemic recovery, U.S. oil production would not return to pre-pandemic heights, because Defendants and other U.S. shale producers were "committed to value growth, rather than production growth."[70]

c) In April 2021, Pioneer CEO Sheffield said that U.S. shale producers risked another price war with OPEC and its allies if they resumed the breakneck production growth of the last decade. He also balked at the federal government's forecasts which predicted an increase in domestic oil production, and instead declared he was "totally against" any production increase as producers now know the stakes and will stick to their mantra of capital discipline."[71]

d) In a June 2021 interview with Reuters, Sheffield said he was "confident the

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[68] Alex Lawler & Jennifer Hiller, *OPEC, U.S. Oil Firms Expect Subdued Shale Rebound Even as Crude Prices Rise*, REUTERS (Feb. 23, 2021 3:57 a.m.-EST), https://www.reuters.com/article/business/opec-u-s-oil-firms-expect-subdued-shale-rebound-even-as-crude-prices-rise-idUSKBN2AM0DY/.

[69] *Id.*

[70] Pippa Stevens, *U.S. Oil Production Won't Return to Pre-Pandemic Levels, Says Occidental CEO*, CNBC (updated Mar. 4, 2021 5:39 pm.-EST), https://www.cnbc.com/2021/03/04/us-oil-production-wont-return-to-pre-pandemic-levels-occidental-ceo.html.

[71] Kevin Crowley, *Pioneer Chief Warns of OPEC+ Price War Risk*, RIGZONE (Apr. 14. 2021 12:30 p.m.-EST), https://www.rigzone.com/news/wire/pioneer_chief_warns_of_opec_price_war_risk-14-apr-2021-165162-article/.

producers will not respond" to the high crude oil prices by increasing production, because they were focused on "shareholder returns"[72] According to Reuters, "[i]n the United States, closely held companies have contributed substantially to rig additions this year, but Sheffield said those smaller firms should not drive up volumes enough to ruffle OPEC+ producers."[73]

e) During an August 5, 2021 earnings call, Defendant EOG President and CEO Bill Thomas referenced a "new era" of collaboration in the global crude oil market with a "more positive macro environment than we've been in since really the shale business started. I think OPEC+ is solid. I think the U.S. will remain disciplined. And so, I think the industry is in for a long run of really good results."[74]

f) On October 3, 2021, Pioneer CEO Sheffield said U.S. producers were not willing to increase supply to curb soaring crude oil prices that were "under OPEC control,"[75] reflecting Defendants' production restraint agreement. Sheffield reaffirmed Pioneer's commitment to the agreement promising to cap any Pioneer output increase at 5% per year no matter the price of crude oil, explaining "everybody's going to be disciplined, regardless [of] whether it's $75

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[72] Liz Hampton, *U.S. Shale Industry Tempers Output Even as Oil Prices Jump*, REUTERS (Jun. 28, 2021 7:12 a.m.-EDT), https://www.reuters.com/business/energy/us-shale-industry-tempers-output-even-oil-price-jumps-2021-06-28/.

[73] *Id.*

[74] Motley Fool Transcribing, EOG Resources (EOG), *Q2 2021 Earnings Call Tr.,* THE MOTLEY FOOL (Aug. 5, 2021 9:01 p.m.), https://www.fool.com/earnings/call-transcripts/2021/08/05/eog-resources-eog-q2-2021-earnings-call-transcript/.

[75] Derek Brower & David Sheppard, *US Shale Drillers Cannot Contain Oil Price Rise, Pioneer Boss Says*, FINANCIAL TIMES (Oct. 3, 2021), https://www.ft.com/content/c21eb656-8d09-45ce-a13a-7d8419426b05.

Brent[76], or $100 Brent . . ."[77]

72. This public insistence on discipline signaled that Defendants were trying to hold production down, instead of competing for market share.

73. Given that Defendants' breakeven prices at the time were around $40/barrel,[78] Defendants' new strategy of restricting production came as a shock to industry observers—at a breakeven price of $40/barrel, Defendants could have put *much* more oil to market at a profit but declined to do so. Absent the conspiracy, this would be contrary to each Defendants' individual profit motive. As industry observers noted:

a) In January 2021, Reuters reported that "U.S. shale producers are keeping their pledges to hold the line on spending and keep output flat, a departure from previous boom cycles."[79]

b) In June 2021, another Reuters columnist noted: "U.S. shale producers have normally captured market share from OPEC+ whenever prices have been above $55-60 per barrel."[80] 2021's "run up in crude prices, and oil output curbs imposed by the OPEC+ producers

[76] "Brent" refers to Brent crude.

[77] Brower & Sheppard, *supra* n.76.

[78] *See, e.g.*, EOG Resources, *Value Matters: 4Q 2021 Presentation*, (2022), https://s24.q4cdn.com/589393778/files/doc_financials/2021/q4/EOG_0222.pdf (Defendant EOG's price needed to secure 10% return on capital, not breakeven, was ~$40); Occidental Petroleum Corp., *Q3 2020 Earnings Call Tr.*, OXY.COM (Nov. 10, 2020 4:00 p.m.-GMT), https://www.oxy.com/globalassets/documents/investors/quarterly-earnings/OXY3Q20Transcript.pdf (Defendant Occidental's breakeven price ~$40).

[79] Hampton, *supra* n.73.

[80] John Kemp, *U.S. Shale Restraint Pushes Oil Prices to Multi-Year High*, REUTERS (June 4, 2021 9:11 a.m.-EDT), https://www.reuters.com/article/global-oil-kemp-idAFL5N2NM37M.

group, historically would have triggered a drilling boom."[81] However, the author observed that Defendants' output curbs, temporarily removing the threat of lost market share and accelerating the upward pressure on prices…Shale producers have publicly reiterated their new commitment to output restraint in interviews as well as calls with analysts and investors.[82]

c) On Defendant Chesapeake's Q4 2021 earnings call, a Bank of America Managing Director and Head of U.S. Oil and Gas was confounded by Chesapeake's new strategy, telling Chesapeake CEO that their plans to slow production would be "the easiest way to destroy value" for the company in the long term.[83]

74. OPEC, however, was not surprised. In early 2021, OPEC estimated U.S. shale production would see a significant annual drop. Reuters reported that anonymous OPEC sources confirmed "[t]he lack of a shale rebound could make it easier for OPEC and its allies to manage the market."[84] OPEC also signaled that the price war was over. Barkindo told Reuters that "U.S. shale is an important stakeholder in our global efforts to restore balance to the oil market" and that Independents and OPEC "have a shared responsibility in this regard."[85]

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[81] Hampton, *supra* n.73.

[82] Kemp, *supra*, n. 81.

[83] Chesapeake Energy Corporation (CHK), *CEO Nick Dell'Osso on Q4 2021 Results - Earnings Call Transcript*, SEEKING ALPHA (Feb. 24, 2022 11:51 a.m.-ET), https://seekingalpha.com/article/4489980-chesapeake-energy-corporation-chk-ceo-nickdellosso-on-q4-2021-results-earnings-call.

[84] Alex Lawler & Jennifer Hiller, *OPEC, U.S. Oil Firms Expect Subdued Shale Rebound Even as Crude Prices Rise*, REUTERS (Feb. 23, 2021 3:57 a.m.-EST), https://www.reuters.com/business/energy/opec-us-oil-firms-expect-subdued-shale-rebound-even-crude-prices-rise-2021-02-22/#:~:text=Energy-,OPEC%2C%20U.S.%20oil%20firms%20expect%20subdued%20shale,even%20as%20crude%20prices%20rise&text=LONDON%2FHOUSTON%2C%20Feb%2022%20(,help%20OPEC%20and%20its%20allies.

[85] *Id.*

5. 2022-2023: Defendants Continue to Restrain Output

75. In 2022, Russia invaded Ukraine and the prices of crude oil spiked. Unlike the steep fall that took place during the pandemic, this event created a supply-side shock that resulted in a decrease in the volume of oil available in the U.S. market, both from increased strain on supply chains, and more importantly the separation of Russia's oil production from the world market.

76. Halfway through 2022, oil crossed $120 a barrel—which cost more than at any point during the fire-year runup to the OPEC Price War, and nearly quadruple the 2016 price war low water mark.

77. OPEC responded to the possibility that the high prices might recede with further production restraint, including cuts in October 2022 of "two million barrels per day." These amounts were announced as crude prices began to normalize from their near-record highs.[86]

78. Despite record prices in 2022 and consistently high prices in 2023,[87] Defendants refused to increase production in an independently economically rational manner, even though increasing oil sales would have been immensely profitable to Defendants at the market prices in 2022-2023:

a) In February of 2022, as Russian troops staged on the Ukrainian border in

[86] Jeff Stein, et al., *OPEC, Allies Move to Slash Oil Production, Eliciting Blistering White House Response*, THE WASH. POST (updated Oct. 5, 2022 11:30 a.m.-EDT), https://www.washingtonpost.com/business/2022/10/05/opec-plus-oil-cut-russia-saudi-arabia/.

[87] *See* Lawler & Scheyder, *supra* n.51; Erik Norland, *As Oil Prices Plunge, What Will Swing Producers Do?*, CME GROUP (Nov. 21, 2018), https://www.cmegroup.com/education/featured-reports/as-oil-prices-plunge-what-will-swing-producers-do.html (in the past, "higher [crude oil] prices incentivized an enormous increase in U.S. production", and even OPEC members understood that "[i]t's normal for shale oil, tight oil [production] to increase . . . whenever oil prices support it.").

advance of the invasion, Sheffield again made comments supporting the existence of an agreement between and among Defendants: "In regard to the industry, it's been interesting watching some of the announcements so far, the public[ly listed] [I]ndependents are staying in line" and "I'm confident they will continue to stay in line."[88] Indeed, following the massive oil price spike during which oil prices increased 20% between January and February 2022, Sheffield emphasized, "[w]hether it's $150 oil, $200 oil, or $100 oil, we're not going to change our growth plans[.]"[89] This refusal to alter strategy regardless of prevailing market conditions would be completely irrational absent the alleged conspiracy.

b) Later in February, other Defendants signaled their alignment. During an earnings call, Defendant Continental's CEO Berry confirmed, "[w]e project generating flat to 5% annual production growth over the next five years…"[90]

c) Defendant Diamondback's executive Stice explained on February 22, 2023, "we have no reason to put growth before returns…we will continue to be disciplined."[91]

d) *Bloomberg* reported on February 24, 2022 that Defendant EOG Resources Inc. plan[ned] to restrain oil growth [in 2022] despite surging prices, falling into line with most other major U.S. independent shale producers…like [Defendant] Pioneer Natural Resources and

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[88] Tsvetana Paraskova, *Not Even $200 Oil Will Make Shale Giants Drill Aggressively*, OILPRICE.COM (Feb. 18, 2022 5:00 p.m.-CST), https://oilprice.com/Energy/Energy-General/Not-Even-200-Oil-Will-Make-Shale-Giants-Drill-Aggressively.html.

[89] *Id.*

[90] *Id.*

[91] Geert De Lombaerde, *Diamondback to Keep Production Flat, Invest $1.75 Billion in 2022*, OIL & GAS J. (Feb. 23, 2022), https://www.ogj.com/drilling-production/article/14234465/diamondback-to-keep-production-flat-invest-175b-in-22.

[Defendant] Continental Resources [, who] are also limiting increases to less than 5% this year."[92]

e) In March 2022, Occidental Petroleum's CEO Vicki Hollub stated Occidental had a "huge inventory of high-quality investments" available around the world, especially in U.S. shale, but not acting on those opportunities to expand production, instead focused on maintaining high profits.[93]

f) On an August 2022 earnings call, Defendant EOG said it planned to keep production growth to "low single digits" in 2023 and it was "committed to remaining disciplined" despite ideal economic conditions for production increases.[94] In 2022, EOG increased production by only 4% and said it was targeting the same increase in 2023.[95]

g) In January 2023, Sheffield confirmed that the "aggressive growth era of US shale is over" and that Pioneer and other Defendants were "no longer a swing producer."[96]

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[92] Kevin Crowley, *EOG Holds Back Oil-Production Growth in Line with Shale Peers*, BLOOMBERG (Feb. 24, 2022 5:16 p.m.-EST), https://www.bloomberg.com/news/articles/2022-02-24/eog-holds-back-oil-production-growth-in-line-with-shale-peers.

[93] Pippa Stevens, *Oil Producers in a 'Dire Situation' and Unable to Ramp Up Output, Says Oxy CEO*, CNBC (updated Mar. 8, 2022 3:22 p.m.-EST), https://www.cnbc.com/2022/03/08/oil-producers-in-a-dire-situation-and-unable-to-ramp-output-says-oxy-ceo.html#:~:text=Energy-,Oil%20producers%20in%20a%20'dire%20situation'%20and%20unable%20to%20ramp,up%20output%2C%20says%20Oxy%20CEO&text=U.S%20producers%20were%20largely%20expecting,said%20Oxy%20CEO%20Vicki%20Hollub .

[94] EOG Resources (EOG), *Q2 2022 Earnings Call Tr.,* THE MOTLEY FOOL (Aug. 5, 2022 4:00 p.m.), https://www.fool.com/earnings/call-transcripts/2022/08/05/eog-resources-eog-q2-2022-earnings-call-transcript/.

[95] Liz Hampton, *U.S. Shale Producer EOG Sticks to 4% Annual Output Growth*, REUTERS (Aug. 5, 2022 11:53 a.m.-EDT), https://www.reuters.com/business/energy/us-shale-producer-eog-maintain-low-single-digit-oil-output-2022-08-05/.

[96] Derek Brower and Myles McCormick, *What the End of the US Shale Revolution Would Mean for the World*, FINANCIAL TIMES (Jan. 15, 2023), https://www.ft.com/content/60747b3b-e6ea-47c0-938d-af515816d0f1.

h) When asked in a March 2023 interview why Occidental was not using profits to "drill more wells" and "bring down prices," Defendant Occidental's President, Vicki Hollub responded that "prices are in a good place right now," "gas prices at the pump are not so bad at this price," and Occidental had no intention of increasing production to meet global demand and lower U.S. consumer gas prices, despite having the ability to *profitably* increase production.[97]

79. Again, knowing Independents' breakeven prices were continuing to fall,[98] oil industry observers expressed disbelief at Defendants' refusal to compete for market share:

a) According to the Washington Post, the price increases following the Russian invasion were a "clear signal to raise [shale] production; we're talking Bat-Signal Clarity here."[99]

[97] Ian Thomas, *U.S. Won't Reach a New Record in Oil Production 'Ever Again,' Says Pioneer Natural Resources CEO*, CNBC (Mar. 9, 2023 8:00 a.m.-EST), https://www.cnbc.com/2023/03/09/us-wont-reach-new-record-oil-production-ever-again-pioneer-ceo.html.

[98] *E.g.*, Press Release, *Continental Resources Announces Record 2021 Results; 2022 Projections Highlight Increasing Cash Flow and Corporate Returns, News Release (Exhibit 99.1)*, SEC ARCHIVES (Feb. 14, 2022), https://www.sec.gov/Archives/edgar/data/732834/000119312522123778/d283110dex991.htm; Centennial Resource Development Inc., *2022 Corporate Sustainability Report*, PERMIAN RES.COM (2022), https://permianres.com/wp-content/uploads/2022/08/Centennial-2022-Corporate-Sustainability-Report.pdf; *Investor Relations Presentation*, HESS CORP. (May 2022), https://investors.hess.com/static-files/3814592c-05ea-4659-9651-88012e29468f (Defendant Hess breakeven ~$45); *The Value Portfolio: Pioneer Natural Resources is Heavily Undervalued*, SEEKING ALPHA (Aug. 9, 2023 11:27 a.m.-ET), https://seekingalpha.com/article/4593056-pioneer-natural-resources-heavily-undervalued (Pioneer breakeven $39); Irina Slav, *Running Out of Sweet Spots: Shale Growth May Not Materialize*, MARKETS INSIDER (Feb. 7, 2022 11:00 a.m.), https://markets.businessinsider.com/news/stocks/running-out-of-sweet-spots-the-biggest-problem-for-us-shale-1031168908. ("Technologically, oil and gas resources can be stretched to near infinity as drilling technology advances further and further.").

[99] Liam Denning, *Shale Companies Say They Can't Drill More. Even When There's a War?*, BLOOMBERG (Feb. 28, 2022 7:00 a.m.-EST),

b) A February 2022 Bloomberg article wondered why Defendant EOG wouldn't "take advantage of higher prices by pumping more crude from its shale fields." The article said that EOG "plan[ned] to restrain oil growth this year despite surging prices, falling into line with most other U.S. independent shale producers."[100]

c) In March 2022, a CNBC anchor observed: "I know we keep hearing about this key code word from all of the oil companies right now that they are 'disciplined,' but when you see oil at north of 120 dollars a barrel, I mean it's one thing to be disciplined, it's another thing to miss an opportunity.[101]

d) Again, in March 2023, the Financial Times published an article titled, "Oil executives warn of higher prices now that OPEC is back 'in charge.'"[102] Another March 2023 article from CNBC was titled "US won't reach a new oil record in oil production 'ever again' says Pioneer Natural Resources CEO."[103]

e) On April 3, 2023, after OPEC made further cuts, Bloomberg reported that

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https://www.bloomberg.com/opinion/articles/2022-02-28/shale-companies-say-they-can-t-drill-more-even-when-there-s-a-war.

[100] Kevin Crowley, *EOG Holds Back Oil-Production Growth in Line with Shale Peers*, BLOOMBERG (Feb. 24, 2022 5:16 p.m.-EST), https://www.bloomberg.com/news/articles/2022-02-24/eog-holds-back-oil-production-growth-in-line-with-shale-peers.

[101] Pippa Stevens, *Oil Producers in a 'Dire Situation' and Unable to Ramp Up Output, Says Oxy CEO*, CNBC (Mar. 8, 2022 12:06 p.m.-EST), https://www.cnbc.com/2022/03/08/oil-producers-in-a-dire-situation-and-unable-to-ramp-output-says-oxy-ceo.html#:~:text=Energy-,Oil%20producers%20in%20a%20'dire%20situation'%20and%20unable%20to%20ramp,up%20output%2C%20says%20Oxy%20CEO&text=U.S%20producers%20were%20largely%20expecting,said%20Oxy%20CEO%20Vicki%20Hollub.

[102] Myles McCormick, Derek Brower, & Justin Jacobs, *Oil Executives Warn of Higher Prices Now that OPEC Is Back in Charge*, FINANCIAL TIMES (Mar. 8, 2023), https://www.ft.com/content/f1674a6e-39ae-4abb-ae2a-40fefb58d6b9.

[103] *See supra*, n.98.

the U.S. shale industry did not plan to "break a three-year trend" by increasing production in response to rising oil prices, and would not "rescue" U.S. consumers from high gas prices, despite being "flush with cash after record profits."[104] According to one industry expert, "OPEC and shale are much more on the same team now, with supply discipline on both sides" which "really puts a floor under the price of oil long term."[105]

80. In 2022 and 2023, Defendants unsurprisingly kept meeting with OPEC officials:

a) In 2022, Defendants again met with OPEC officials during the 2022 CERAWeek conference in Houston, Texas from March 6-10, 2022. During this conference, Reuters reported, "[i]t was at least the fourth time since 2017 that U.S. shale oil producers and OPEC officials have held such meetings to discuss energy concerns."[106]

b) In Houston, Defendants and OPEC "gathered in a private room at a restaurant and U.S. producers presented OPEC Secretary General Barkindo with a bottle labeled 'Genuine Barnett Shale' – from the oilfield that launched the shale revolution. Barkindo proudly displayed the memento as he left the meeting, which included executives from Hess Corp…and

[104] Kevin Crowley and Mitchell Ferman, *Don't Expect US Shale to Quickly Fill the Gap Left by OPEC+ Cut*, BLOOMBERG (updated Apr. 3, 2023 3:03 p.m.-EDT), https://www.bloomberg.com/news/articles/2023-04-03/opec-surprise-cut-won-t-be-filled-by-us-shale-oil?in_source=embedded-checkout-banner.

[105] *Id.*

[106] Liz Hampton & Arathy Somasekhar, *OPEC Meets with U.S. Shale Executives as Oil Prices Skyrocket*, REUTERS (Mar. 7, 2022 10:48 p.m.-EST), https://www.reuters.com/business/opec-meet-with-us-shale-executives-us-energy-conference-oil-prices-skyrocket-2022-03-08/. In attendance: EQT Corp Chief Executive Officer Toby Rice, Hess Corp CEO John Hess and Chesapeake Energy CEO Domenic Dell'Osso.

Chesapeake Energy."[107] As Reuters noted, Defendants and OPEC "found themselves on similar sides as oil prices have surged well above $100 a barrel: in no rush to rapidly boost production."[108] Chesapeake CEO Domenic Dell'Osso confirmed that "[w]ere shale to ramp up output only to have prices fall, we have destroyed a lot of value for shareholders and haven't helped the problem."[109]

c) In March 2023, the Financial Times reported that "about two dozen [U.S. shale executives] including [Defendants' executives:] Sheffield [of Pioneer], . . . Nick Dell'Osso of Chesapeake Energy, Travis Stice of Diamondback Energy, Vicki Hollub of Occidental Petroleum, and John Hess of Hess Corporation met with OPEC Secretary General[-elect] Haitham Al Ghais for a private dinner in a downtown Houston steakhouse" to reaffirm their agreement to restrict production, "[d]espite recent record profits."[110] At the dinner, it was reported that "shale executives pressed Al Ghais on how much spare production capacity OPEC could deploy, and offered their own assessment of how much extra output the US could deliver this year –a range between 400,000 and 600,000 b/d . . ."[111] It was also reported that Sheffield doubled down on his support of OPEC, "I think the people that are in charge now are three countries—and they'll be in charge the next 25 years . . . Saudi first, UAE second, Kuwait third."[112]

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[107] *Liz Hampton, As Oil Prices Soar, U.S. Shale, OPEC in no Rush to Resume Price War, REUTERS (Mar. 10, 2022 5:58 p.m.-EST), https://www.reuters.com/business/energy/ceraweek-oil-prices-soar-usshale-opec-no-rush-resume-price-war-2022-03-10.*

[108] *Id.*

[109] *Id.*

[110] Myles McCormick, et al., *Oil Executives Warn of Higher Prices Now that OPEC Is Back in Charge*, FINANCIAL TIMES (Mar. 8, 2023), https://www.ft.com/content/f1674a6e-39ae-4abb-ae2a-40fefb58d6b9.

[111] *Id.*

[112] *Id.*

81. In 2023, Defendants continued to coordinate with one another. In January, Pioneer's CEO Sheffield stated, "OPEC ministers are frustrated over the recent price fall," before that forthcoming production was "going to change . . . If [price] stays too low, it wouldn't surprise me if [OPEC] ha[s] another cut . . . [W]e'll see what happens in the next 90 days."[113]

82. Exactly 87 days later, OPEC unsurprisingly "shocked traders around the world"[114] when it announced a "surprise" production cut, when it "had been largely expected to stick to its already agreed 2m bpd cuts."[115]

83. In between Sheffield's prediction and reveal, on March 27, 2023, it was reported that some Defendants, including at least Pioneer and EOG, had pulled back the hedge positions they had previously established to protect against downward oil price movements. This left Defendants "suddenly vulnerable" and exposed them to massive economic risk if oil prices went down.[116]

84. Indeed, Pioneer's CEO Sheffield defended the extraordinarily risky move, stating "we're not going to hedge," and that he was still "optimistic that we'll see $100 a barrel before the end of the year."[117]

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[113] Kevin Crowley, *One Shale Executive Correctly Called OPEC+'s Surprise Output Cut*, BLOOMBERG (Apr. 4, 2023 3:51 p.m.-EDT), https://www.bloomberg.com/news/articles/2023-04-04/one-shale-executive-correctly-called-opec-s-surprise-output-cut.

[114] *Id.*

[115] Reuters, *OPEC+ Announces Surprise Cuts in Oil Production*, THE GUARDIAN (Apr. 2, 2023 12:37-EDT), https://www.theguardian.com/business/2023/apr/02/opec-announces-surprise-cuts-in-oil-production-of-about-115-mbpd.

[116] Justin Jacobs, *Shale Oil Drillers Left Exposed After Pulling Back Price Hedges*, FINANCIAL TIMES (Mar. 28, 2023), https://www.ft.com/content/c3baf69f-41fc-42ea-b13a-5ef6f546e143.

[117] *Id.*

85. On April 2, 2023, less than a week after news emerged of Defendants' exposed positions, OPEC announced their "surprise" production cut, slashing 1.15 million barrels of oil production per day.[118] Defendants' failure to hedge was inexplicable but for their advanced knowledge of OPEC's planned production costs.

86. In April 2023, an energy analyst summarized the effects of Defendants' output constraint agreement:[119]

> In its early days, shale behaved like a dimmer, with output growth accelerating proportionally as oil prices were dialed up. That ability to respond quickly to the market was due to the speed at which shale wells could be developed: a few months compared to the years or decades of Big Oil Projects. Today, shale is as responsive as in the past. But there's a difference. ***The dimmer appears to be capped at a certain level: No matter how high oil prices go above that level –say $100 a barrel –the industry will no longer add rigs to sop up the market share.*** Rather, it will stay put and go into harvest mode with existing wells –that's exactly what happened in 2022, much to the consternation of the White House, which urged shale companies to drill more.

87. The Independents—based on previous data—had the ability to increase production and gain market share, they just strategically chose not to:

Defendant	**2017-2019 U.S. Oil Production Growth Rate (Comparison Period)**	**2021-2023 U.S. Oil Production Growth Rate (Class Period)**
Centennial/Permian[120]	123%	56%

[118] Reuters, *supra* at n.117.

[119] Javier Blas, *Wall Street is Finally Going to Make Money Off the Permian*, BLOOMBERG (Apr. 24, 2023 7:00 p.m.-EDT), https://www.bloomberg.com/opinion/articles/2023-04-24/higher-oil-prices-means-wall-street-s-shale-investments-will-finally-pay-off (In February 2016, Saudi Arabia's Oil Minister Al-Naimi warned U.S. shale producers, "[l]ower costs, borrow cash, or liquidate.").

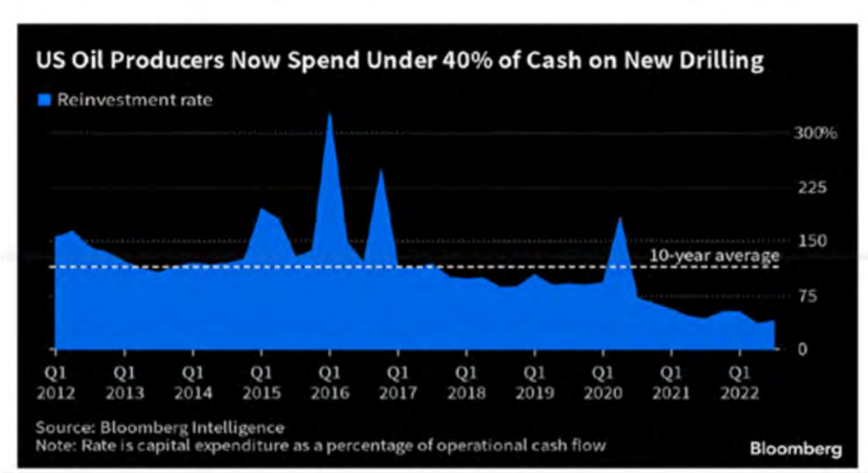
[120] On September 1, 2022, Centennial Resources merged with Colgate Energy Partners II, LLC to form Permian Resources. *Centennial, Colgate Finalize $3.9B Merger; Debut as Permian Resources Corp*, SHALE EXPERTS (Sept. 1, 2022), https://www.shaleexperts.com/articles/Centennial-Colgate-Finalize-3.9B-Merger-Debut-as-Permian-Resources-Corp_999951603.

Chesapeake	31%	-63%
Continental	43%	42%
Diamondback	220%	19%
EOG	36%	6%
Hess	25%	-6%
Occidental	89%	8%
Pioneer	34%	3%
Defendants' Production Weighted Average	**63%**	**14%**
Average Crude Oil Price per Barrel	**$55.01**	**$78.42 (30% increase)**

Figure 6.

88. Defendants' production restraint agreement worked. Accordingly, they are reaping the rewards in the form of massive revenue increases, while not reinvesting that additional revenue into new production. *Compare* U.S. Shale Producer's Reinvestment Rate *with* Defendants' annual revenues illustrated below.

6. U.S. Shale Producer's Reinvestment Rate (capital expenditure as a percentage of operational cash flow)



Accordingly, the 56% figure listed in Table 1 for Centennial is its 2021-2022 pre-merger growth rate as public figures do not permit Plaintiff to back-out production figures from Colgate's rigs post-acquisition.

Figure 7.

Figure 8.

Figure 9.

Figure 10.

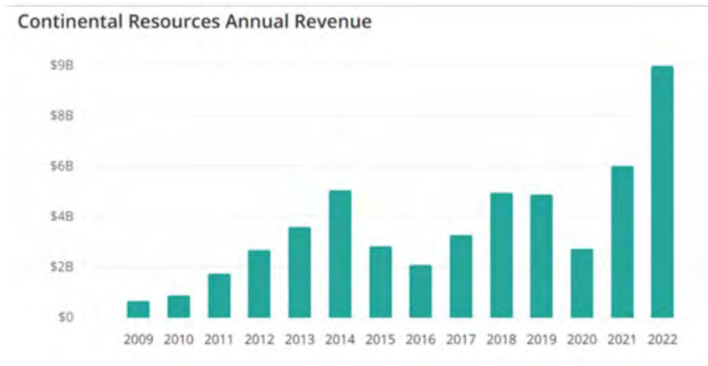


Figure 11.

Figure 12.

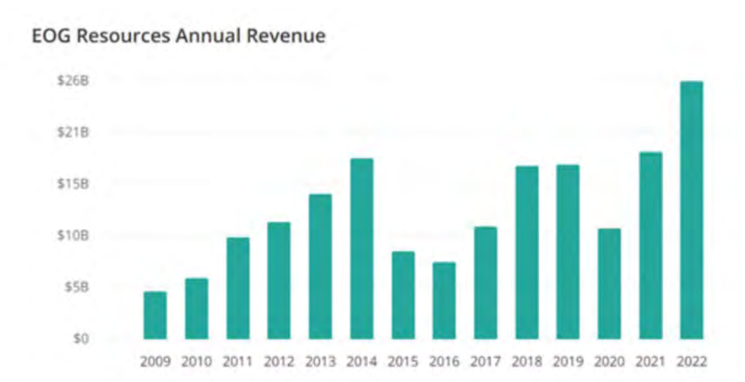


Figure 13.

Figure 14.

7. Absent Agreement, Defendants' "Restraint" Is Economically Irrational

89. Defendants' strategic use of the words "disciplined," "value growth," "staying in line," or operating for "shareholder returns" were all code words for each Defendant's agreement to coordinate and restrain domestic shale oil production. Further, Defendants' repeated public confirmation of their production discipline was an admission that they each had spare productive capacity that they chose not to utilize.

90. In a competitive market for one of the world's most traded commodities, crude oil, it is economically rational to take advantage of prices above your breakeven when expanding production. If a company does not do this, its competitor will take market share and reinvest their additional profits into further productive capacity and/or efficiency gains. This is a prime example of what occurred between OPEC and shale during the Shale Revolution.

91. In such a competitive market, no single Defendant would restrain production without knowing that their competitors would restrain production as well. No business would turn down opportunities to make three times marginal cost to focus on "shareholder returns." These decisions were calibrated.

92. If a company is not drilling oil, then another company is. Supermajors started investing in shale in 2021 and 2022 at rates previously unseen and in direct response to U.S. shale producers "underinvesting as an industry."[121] For example:

a) ExxonMobil planned to boost its 2022 production level in the Permian Basin by 25% in response to record high crude oil prices.[122]

b) Similarly, Chevron planned on a 10% increase in the same region in 2022 "from an even larger production base."[123]

c) Midway through 2022, Chevron anticipated a "15% year-over-year increase" in shale oil production from 2021 and promised to continue "bolstering production."[124]

d) In May 2023, ExxonMobil Chief Executive Darren Woods said that Exxon is hoping to double the amount of oil produced from its U.S. shale holdings over a five-year period using new technologies.[125]

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[121] Clifford Krauss, *What Exxon & Chevron are Doing with Those Big Profits*, THE NEW YORK TIMES (Feb. 1, 2023), https://www.nytimes.com/2023/02/01/business/energy-environment/exxon-chevron-oil-gas-profit.html.

[122] Kevin Crowley, et al., *Exxon and Chevron Plan Permian Oil Surge as Peers Preach Caution*, BLOOMBERG (updated Feb. 2, 2022 10:57 a.m.-EST), https://www.bloomberg.com/news/articles/2022-02-01/exxon-joins-chevron-in-permian-oil-surge-as-peers-preach-caution.

[123] *Id.*

[124] *Chevron to Boost Permian Oil Production as Demand for Reliable Energy Grows*, CHEVRON (June 16, 2022), https://www.chevron.com/newsroom/2022/q2/chevron-to-boost-permian-oil-production-as-demand-for-reliable-energy-grows.

[125] Sabrina Valle, *Exxon CEO Says Technology Advances Could Double Its Shale Output*, REUTERS (June 1, 2023 6:59 p.m.-EDT), https://www.reuters.com/business/energy/exxon-ceo-says-5-year-program-could-double-its-shale-output-2023-06-01/#:~:text=Exxon%20CEO%20says%20technology%20advances%20could%20double%20its%20shale%20output,-By%20Sabrina%20Valle&text=HOUSTON%2C%20June%201%20(Reuters),year%20period%20using%20new%20technologies.

93. Non-public shale companies attempted to drill some of that oil as well. In 2022, "[s]maller, privately held firms . . . raised production in response to higher prices and are going full steam ahead."[126] However, their effect was minimal due to the fact that Defendants occupy 18% of the total active oil rigs in the U.S., including conventional oil rigs and rigs owned by supermajors.[127] In 2023 alone, Defendants' rigs were responsible for roughly 16.2% of the U.S. total crude oil production.[128] Put differently, of the 247 companies operating oil rigs in the U.S., 162 companies are running only one rig.[129] Five out of ten total companies that own 15 or more rigs are none other than EOG, Occidental, Pioneer, Diamondback and Continental.[130]

94. The fact that conventional oil production in the U.S. is largely fixed and cannot quickly adjust to production volumes in response to price changes only adds to Defendants' market control.

95. Unlike Defendants, OPEC openly acknowledges its collaborative efforts with Defendants. When describing its collaborations with and amongst Defendants, OPEC

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[126] Liz Hampton, *U.S. Shale Oil Forecasts Keep Rising as Smaller Producers Lead the Way*, REUTERS (Mar. 2, 2022 6:03 a.m.-EST), https://www.reuters.com/business/energy/us-shale-oil-forecasts-keep-rising-smaller-producers-lead-way-2022-03-02/.

[127] Based on data from https://oilgasleads.com/top-drilling-company/, reflecting conditions as of December 2023.

[128] *Id.*

[129] *Id.*

[130] *Id.*

"collaborate[s],"[131] "compare[s] notes,"[132] "work together to exchange views,"[133] discuss "how [OPEC and Defendants] should proceed going forward,"[134] and "further explore the mechanic of achieving [OPEC's and Defendants'] common objective."[135]

96. Whether the statements are made blatantly or through code, Defendants' agreement among each other to coordinate and control the production of shale oil is illegal under the Sherman Act and the Commodity Exchange Act.

E. Plus Factors Support the Existence of a Conspiracy

97. The presence of "plus factors" and/or "super plus factors" render the U.S. shale oil industry and market for light sweet crude oil highly susceptible to collusion. Plus factors are "economic actions and outcomes, above and beyond parallel conduct by oligopolistic firms, that are inconsistent with unilateral conduct and support an inference of collusion and coordinated action.[136] Super plus factors are actions or outcomes that would almost never be observed in the absence of collusion, [such that], it is reasonable to presume that the cartel finds these conducts or outcomes important to the implementation and operation of the collusive structures."[137]

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[131] Tom DiChristopher, *Trump blasted OPEC this past year. Hess CEO says the oil producer group deserves praise*, CNBC (Jan. 23, 2019 3:37 p.m.-EST), https://www.cnbc.com/2019/01/23/trump-blasted-opec-hess-ceo-says-the-group-deserves-praise.html.

[132] OPEC Bulletin, at 53.

[133] *See* DiChristopher, *supra* n.133.

[134] OPEC Bulletin, *supra* n.134.

[135] Javier Blas & Grant Smith, *OPEC Head to Meet with U.S. Shale Producers for Dinner Next Week*, BLOOMBERG (updated Feb. 27, 2018 5:52 p.m.-EST), https://www.bloomberg.com/news/articles/2018-02-27/opec-head-to-meet-u-s-shale-oil-producers-for-dinner-next-week.

[136] William E. Kovacic, et al., *Plus Factors and Agreement in Antitrust Law*, 110 MICH. L. REV. 393, 393 (2011).

[137] *Id.* at 426.

98. The following plus and super plus factors alleged herein support an inference that Defendants' actions constituted a per se unlawful price-fixing conspiracy, not merely parallel conduct:

1. Actions Against Self-Interest

99. Defendants' actions were against their independent self-interest absent the existence of an agreement. As alleged herein, Defendants repeatedly met with each other to discuss confidential business plans, including forward-looking production and capacity information. No rational business would divulge this proprietary and sensitive information with a direct competitor absent collusion. After these exchanges, Defendants decided not to increase their respective production volumes when that would have been in their individual rational best interests, given rising prices. Instead, Defendants withheld production in a way that would only be in their individual rational best interests if they had an agreement between themselves to coordinate production levels to maintain crude oil prices at artificially high levels. Defendants repeatedly communicated forward-looking production data and publicly commented on each other's production announcements in a manner what would be irrational absent an agreement. Indeed, "firms restrict[ing] production when prices and profits are relativity high or increasing" is a "super plus factor."[138]

2. Evidence of Interfirm Communications and Opportunities to Conspire

100. As described herein, industry trade associations Defendants regularly participate in provided them with ample opportunity to coordinate supply restraints and curtail cheating on the

[138] *Id.* at 435.

conspiracy. As alleged above, Defendants met during trade association gatherings and several CERAWeek Conferences in Houston, Texas to discuss their internal cooperation and overall cooperation with OPEC by all Defendants to maintain that excess capacity.

3. Inelastic Demand

101. "Elasticity" describes the sensitivity of supply and demand to changes in one another. Demand is said to be "inelastic" if an increase in the price of a product results in only a small decline in the quantity sold of that product, if any. Customers have nowhere to turn for alternative, cheaper services of similar quality, and continue to purchase despite rising prices.

102. The market conditions for crude oil, and light sweet crude oil, sold in the U.S. are susceptible to the price effects of collusion because it, and the downstream products for which it is the key input, is a commodity that has no substitute for many purchasers and high switching costs for the remainder, leading to highly inelastic demand. For example, many people need gasoline for their vehicles, and consumers cannot easily switch to another fuel source as prices rise. This reinforces the inelasticity of upstream demand for crude oil.

F. Regulatory Findings Support the Existence of A Conspiracy

103. U.S. regulators have uncovered evidence supporting the allegations described above while conducting reviews of proposed mergers involving Defendants.

1. Exxon-Pioneer Merger

104. On May 2, 2024, the Federal Trade Commission ("FTC") announced that it had reached a consent decree with Exxon in connection with Exxon's then-pending acquisition of

Defendant Pioneer (the merger, the "Exxon-Pioneer Merger").[139]

105. This decree forbids Pioneer's former-CEO, Scott Sheffield, from joining Exxon's Board of Directors based on FTC's evidence of Sheffield's years-long efforts to fix the price of crude oil.[140]

106. The decree follows from an FTC administrative complaint (the "FTC Exxon Complaint"), which was released in redacted form on May 2, 2024.[141] The FTC Exxon Complaint states:

> Through public statements and private communications, Pioneer founder and former CEO Scott D. Sheffield has campaigned to organize anticompetitive coordinated output reductions between and among U.S. crude oil producers, and others, including the Organization of Petroleum Exporting Countries ("OPEC"), and a related cartel of other oil-producing countries known as OPEC+. Mr. Sheffield's communications were designed to pad Pioneer's bottom line – as well as those of oil companies in OPEC and OPEC+ member states – at the expense of U.S. households and businesses. . . . [as] [i]ncreases in crude oil prices are passed on to Americans through higher gasoline, diesel, heating oil, and jet fuel prices.

FTC Exxon Complaint, ¶¶1-2.

107. The FTC Exxon Complaint references documents, including Mr. Sheffield's WhatsApp and text messages, that Defendant Pioneer produced to the FTC as part of the FTC's review of the Exxon-Pioneer Merger. *See id.*, ¶¶5-6. 179.

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[139] *See* Press Release, *FTC Order Bans Former Pioneer CEO from Exxon Board Seat in Exxon-Pioneer Deal*, U.S. FED. TRADE COMM'N (May 2, 2024), https://www.ftc.gov/news-events/news/press-releases/2024/05/ftc-order-bans-former-pioneer-ceo-exxon-board-seat-exxon-pioneer-deal.

[140] Consent Order, *In the Matter of Exxon Mobil Corp.*, File No. 241-0004 (May 2, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerorderredacted.pdf.

[141] FTC Administrative Complaint, *In the Matter of Exxon Mobil Corp.*, File No. 241-0004 (May 2, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneercomplaintredacted.pdf.

108. Specifically, the FTC alleged that documents produced by Pioneer as part of the FTC's Exxon-Pioneer Merger investigation revealed:

a. In 2020, Sheffield's "close communications with high-ranking OPEC officials [] during the early days of the COVID pandemic [] focused on [] Sheffield's efforts to limit Permian oil production in the face of falling oil prices globally." *Id.* ¶38;

b. Even after the economy and oil prices recovered from the COVID pandemic, "Sheffield did, in fact, stay in regular contact" with OPEC officials, *id.* ¶¶39-40, and has "exchanged information on oil pricing and output with OPEC representatives." *Id.* ¶41;

c. Over the past few years, Sheffield has, through "text messages," "in-person meetings," and other means of communication, "discuss[ed] crude oil market dynamics, pricing, and output" with Pioneer's U.S. competitors. *Id.* ¶¶ 6, 36;

d. Sheffield served as a "conduit" between Defendants and OPEC, *id.* ¶41; and "also worked to facilitate communications between his competitors in the Permian Basin and OPEC." *Id.* ¶¶ 41-42; and

e. Sheffield, through "WhatsApp" messages and other means of communication, "held repeated private conversations with high-ranking OPEC representatives assuring them that Pioneer has its Permian Basin rivals were working hard to keep oil output artificially low," *id.* ¶ 5, "and to discuss U.S. producers' efforts to maintain capital discipline in order to increase Pioneer's profits." *Id.* ¶ 34.

109. Among other facts, Sheffield recently admitted that he exchanged WhatsApp

messages with a government minister and acknowledged that those messages were referenced in the FTC complaint. *See* Comment on Behalf of Scott Sheffield, *In the Matter of Exxon Mobil Corp.*, File No. 241-0004 (F.T.C. May 28, 2024), at 21 (claiming that the messages referred to in the FTC Complaint "were entirely innocuous").

110. Contemporaneous public reporting suggests that Pioneer submitted "millions of documents" to the FTC – hundreds of which were communications between Sheffield, Pioneer's competitors, and/or OPEC – as part of the agency's second-level review into the Exxon-Pioneer Merger's possible anticompetitive effects.[142]

111. FTC Chair Lina Khan summarized the Exxon-Pioneer Merger investigation findings:

> A core principle that should underpin the Commission's antitrust analysis is examining and understanding commercial realities. Sometimes the evidence that is most probative of commercial realities is how market participants act. Staff's investigation here uncovered troubling evidence of Pioneer CEO Scott Sheffield's actions and communications, which make clear that he believed and acted as if he could persuade his rivals to join him in colluding to restrict output and raise prices. When market actors speak and act as if they can collude, we should not ignore this direct evidence[.][143]

2. Chevron-Hess Merger

112. On September 30, 2024, the FTC announced that it had reached a consent decree with Chevron in connection with Chevron's pending acquisition of Defendant Hess (the "Chevron-

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[142] Benoit Morenne, *et al.*, *Former Pioneer CEO Is Accused of Trying to Collude with OPEC*, THE WALL STREET J. (May 2, 2024), https://www.wsj.com/business/energy-oil/ftc-says-ex-pioneer-ceo-tried-to-collude-with-opec-on-oil-prices-27edf5bd.

[143] *Public Statement of Chair Lina M. Khan in the Matter of Exxon Mobil Corporation*, U.S. FED. TRADE COMM'N (May 2, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/2410004exxonpioneerlmkstmt1_0.pdf (emphasis added).

Hess Merger").[144]

113. This decree forbids Hess CEO, John Hess, from joining Chevron's Board of Directors based on FTC's evidence of Hess's years-long efforts to fix the price of crude oil.[145]

114. The decree follows from an FTC administrative complaint (the "FTC Chevron Complaint") that was released in redacted form on September 30, 2024.[146] The FTC Chevron Complaint states, in part:

> Hess Chief Executive Officer ("CEO") John B. Hess ("Mr. Hess") has communicated publicly and privately with OPEC representatives and oil ministers of OPEC member states about global output and other dimensions of crude oil market competition.
>
> Mr. Hess encouraged high-level OPEC representatives in their stated mission to stabilize global oil markets.

FTC Chevron Complaint ¶¶ 4-5.

115. The FTC Chevron Complaint further alleges that "Hess's ordinary course documents demonstrate that, as Hess's CEO and Director, Mr. Hess had access to and connections with OPEC Oil Producers, his market rivals" and that "Mr. Hess attended public meetings and maintained private communications with OPEC representatives during [his CEO tenure]." *See id.* ¶ 26.

116. Specifically, the FTC alleged that documents produced by Hess as part of the FTC's

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[144] *See* Press Release, *FTC Order Bans Hess CEO from Chevron Board in Chevron-Hess Deal*, U.S. FED. TRADE COMM'N (Sept. 30, 2024), https://www.ftc.gov/news-events/news/press-releases/2024/09/ftc-order-bans-hess-ceo-chevron-board-chevron-hess-deal.

[145] Decision and Order, *In the Matter of Chevron Corp.*, File No. 241-0008 (Sept. 30, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/Chevron-Hess-DecisionandOrder.pdf.

[146] FTC Administrative Complaint, *In the Matter of Chevron Corp.*, File No. 241-0008 (Sept. 30, 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/Chevron-Hess-Complaint.pdf.

Chevron-Hess Merger investigation revealed continuous coordination:

a. A lengthy history of communications and meetings between John Hess and OPEC Secretary General Barkindo, including several of the communications and meetings described above. *Id.* ¶¶ 27-40;

b. Years-long communications and meetings between John Hess and subsequent OPEC Secretary General Al Ghais. *Id.* ¶¶ 41-43;

c. Extensive private communications with Saudi Arabian oil executives at Saudi Aramco, the national oil company of Saudi Arabia and fourth-largest company in the world by revenue. *Id.* ¶¶ 44-47;

d. John Hess's public statements regarding the interplay between Shale Producer and OPEC production levels, and the impact of those production levels on world crude oil prices, featured "repeated themes from his private conversations about market stability and other business topics that he had with Messrs. Barkindo, Al Ghais, and [the Saudi Aramco executives]." *Id.* ¶48; and

e. John Hess's statements to investors about OPEC's role in influencing global crude oil prices while acting as CEO were "consistent with his private communications with OPEC representatives." *Id.* ¶49.

117. Importantly, FTC Chair Lina Khan explicitly linked the FTC's actions related to the Exxon-Pioneer Merger and the Chevron-Hess Merger – further reinforcing the allegations above that both Pioneer and Hess were coordinating with OPEC at the same time and in a similar manner:

> The Commission's actions in Chevron-Hess and Exxon-Pioneer mark an important step towards ensuring that U.S. oil producers are serving as a competitive check on

> OPEC+ rather than subordinating their independent decision-making to the goals set by a cartel. . . . Rivals responding to one another by increasing production, rather than coordinating to hold it back, represents the type of competitive dynamic the antitrust laws were designed to protect.[147]

IV. CLASS ACTION ALLEGATIONS

118. Plaintiff brings this action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of themselves and all others similarly situated. The "Class" is defined as"

> All persons or entities who transacted in Crude Oil Futures, or Options on Crude Oil Futures, traded on NYMEX from January 1, 2021 until the Defendants' unlawful conduct and the anticompetitive effects of that conduct cease to persist.

119. Specifically excluded from the Class are Defendants and their co-conspirators; the officers, directors or employees of any Defendant or co-conspirator; any entity in which any Defendant or co-conspirator has a controlling interest; any affiliate, legal representative, heir, or assign of any Defendant or co-conspirator and any person acting on their behalf. Also excluded from the Class are the United States Government, any judicial officer presiding over this action and the members of their immediate family and judicial staff, and any juror assigned to this action.

120. The Class members are so numerous and geographically dispersed that joinder of all members is impracticable. There are at least hundreds of individuals or entities that purchased, sold, or held relevant Crude Oil Futures and Options during the Class Period at prices artificially impacted by Defendants' wrongful conduct. While the exact number and identity of Class members is unknown to Plaintiff, this can be ascertained from readily available information.

121. Plaintiff's claims are typical of the claims of other Class members. Plaintiff and the

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[147] *Statement of Chair Lina M. Khan Joined by Commissioner Rebecca Kelly Slaughter and Commissioner Alvaro Bedoya in the Matter of Chevron Corporation and Hess Corporation*, U.S. FED. TRADE COMM'N (Sept. 30, 2024), https://public-inspection.federalregister.gov/2024-22874.pdf?1727873143.

members of the Class sustained damages arising out of Defendants' common course of conduct in the violations of law as complained of herein. The injuries and damages of each member of the Class were directly caused by Defendants' wrongful conduct in violation of the laws as alleged herein. No conflict between Plaintiff and Class members exists.

122. Plaintiff will fairly and adequately protect the Class's interests. Plaintiff is represented by a sophisticated, competent class action counsel, experienced in litigating complex class action litigation involving claims arising under the Sherman Act and the CEA. Defendants have acted in an unlawful manner on grounds generally applicable to all Class members.

123. The questions of law or of fact common to the claims of the Class predominate over any questions affecting only individual class members, including legal and factual issues relating to liability and damages, such that certifying this case as a class action is superior to other available methods for the fair and efficient adjudication of the controversy. Questions of law and fact common to all Class members, include, but are not limited to:

a. Whether Defendants fixed, raised, maintained, stabilized, and/or otherwise manipulated Crude Oil Futures and Options prices;

b. the nature and duration of Defendants' manipulation of Crude Oil Futures and Options prices;

c. whether Defendants' conduct violated the Sherman Act;

d. whether Defendants' conduct violated Section 22 of the CEA; and

e. the appropriate class-wide measure of relief for Defendants' violations.

124. Class action treatment is a superior method for the fair and efficient adjudication of the controversy, in that, among other things, such treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of evidence, effort, and expense that numerous individual

actions would engender. The benefits of the proceeding through the class mechanism, including providing injured persons or entities with a method for obtaining redress for claims that might not be practicable to pursue individually, substantially outweigh any difficulties that may arise in the in management of this class action.

125. The prosecution of separate actions by individual Class members would create a risk of inconsistent or carrying adjudications, establishing incompatible standards of conduct for Defendants.

126. Plaintiff is unaware of any difficulties that are likely to be encountered in the management of this action that would preclude its maintenance as a class action.

V. CLAIMS FOR RELIEF

FIRST CLAIM FOR RELIEF
Conspiracy in Restraint of Trade in Violation of Section 1 of the Sherman Act
(15 U.S.C. §1, *et seq.*)
(Against All Defendants)

127. Plaintiff incorporates the Complaint's allegations by reference and realleges them as though fully set forth herein.

128. The overarching agreement to control the output of shale oil and conspiracy between Defendants alleged herein is a *per se* violation of Section 1 of the Sherman Act, 15 U.S.C. § 1 (as amended). Alternatively, the combination and conspiracy alleged herein is a quick look or rule of reason violation of Section 1.

129. Defendants intended to and did restrain trade. They shared a conscious commitment to a common scheme designed to restrict the output of oil in response to market conditions and otherwise manipulating the price of crude oil and financial instruments tied to the price of crude oil, including Crude Oil Futures and Options.

130. The combination and conspiracy unreasonably restrained trade. There is no legitimate business justification for, or procompetitive benefits caused by, Defendants' unreasonable restraint of trade. Any ostensible procompetitive benefit was pretextual or could have been achieved by less restrictive means.

131. Plaintiff and members of the Class have been injured by reason of Defendants' violation of Section 1 of the Sherman Antitrust Act, 15 U.S.C. § 1, within the meaning of Section 4 of the Clayton Antitrust Act, 15 U.S.C. § 15.

132. Plaintiff and members of the Class are threatened with impending future injury to their business and property by reason of Defendants' continuing violation of Section 1 of the Sherman Antitrust Act, 15 U.S.C. § 1, within the meaning of Section 16 of the Clayton Antitrust Act, 15 U.S.C. § 26.

SECOND CLAIM FOR RELIEF
Manipulation of Crude Oil Futures and Options in Violation of the Commodity Exchange Act
(7 U.S.C. §1, *et seq.* and Regulation 180.2)
(Against All Defendants)

133. Plaintiff incorporates the Complaint's allegations by reference and realleges them as though fully set forth herein.

134. During the Class Period, Defendants intended to and did cause unlawful and artificial prices of Crude Oil Futures and Options in violation of the CEA, 7 U.S.C. §1 *et seq.*, by coordinating their collective oil output during the Class Period.

135. Defendants manipulated the price of a commodity in interstate commerce and/or for future delivery on or subject to the rules of a registered entity, in violation of the CEA.

136. During the Class Period, Crude Oil Futures and Options' prices did not result from

legitimate market information and the forces of supply and demand. Instead, Crude Oil Futures and Options' prices were rendered artificial by Defendants.

137. Throughout the Class Period, Defendants strategically coordinated their oil output in direct response to market conditions. These actions subsequently injected false information about supply and demand into the marketplace, which artificially moved prices to illegitimately benefit Defendants' own interests. As a result of these artificial prices, Plaintiff and the Class suffered losses on their trades in Crude Oil Futures and Options.

138. Defendants manipulated Crude Oil Futures and Options' prices throughout the Class Period and thereby caused damages to Plaintiff and Class members who purchases or sold at artificial prices.

139. Defendants had the ability to cause and did cause artificial prices of Crude Oil Futures and Options. Defendants, either directly or indirectly, were active in the markets for Crude Oil Futures and Options and were aware of the effects of their manipulative actions.

140. By their intentional misconduct, Defendants and their co-conspirators each violated Sections 6(c)(3) and 9(a)(2) of the CEA, 7 U.S.C.§§ 9(3), 13(a)(2), and CFTC Rule 180.2 adopted under the CEA ("Rule 180.2") and caused prices of exchange-traded Crude Oil Futures and Options to be artificial during the Class Period.

141. As a result of Defendants' unlawful conduct, Plaintiff and the Class have suffered damages and injury-in-fact due to artificial prices for Crude Oil Futures and Options, to which Plaintiff and the Class would not have been subject but for Defendants' unlawful conduct.

142. Plaintiff and the Class are each entitled to actual damages sustained in Crude Oil Futures and Options for the CEA violations alleged herein.

THIRD CLAIM FOR RELIEF
Aiding and Abetting Liability in Violation
of The Commodity Exchange Act, As Amended
(7 U.S.C. §1, *et seq.* and Regulation 180.1(a))
(Against All Defendants)

143. Plaintiff incorporates the Complaint's allegations by reference and realleges them as though fully set forth herein.

144. Defendants knowingly aided, abetted, counseled, induced and/or procured. The violations of the CEA alleged herein. Defendants did so knowing of each other's and their co-conspirators' manipulation of shale oil output, and willfully intended to assist these manipulations, which resulted in Crude Oil Futures and Options pricing becoming artificial during the Class Period in violation of Sections 13 and 22(a)(1) of the CEA, 7 U.S.C. §§ 13c(a), 25(a)(1).

145. Plaintiff and each member of the Class each sustained and are entitled to actual damages for the violations of the CEA alleged herein.

FOURTH CLAIM FOR RELIEF
Vicarious Liability in Violation of the
Commodity Exchange Act, As Amended
(7 U.S.C. §1, *et seq.*)
(Against All Defendants)

146. Plaintiff incorporates the Complaint's allegations by reference and realleges them as though fully set forth herein.

147. Each Defendant is liable under Section 2(a)(1) of the CEA, 7 U.S.C. § 2(a)(1), for the manipulative acts of their agents, representatives, and/or other persons acting for them in the scope of their employment.

148. Plaintiff and the Class are each entitled to damages for the CEA violations alleged herein.

FIFTH CLAIM FOR RELIEF
Unjust Enrichment
(Against All Defendants)

149. Plaintiff incorporates the Complaint's allegations by reference and realleges them as though fully set forth herein.

150. Defendants financially benefitted from their unlawful acts. As alleged herein, Defendants colluded amongst each other to restrict shale oil output, thus fixing, raising, maintaining and/or stabilizing the prices of Crude Oil Futures and Options in an unlawful and artificial manner. Defendants intended to, and did, unjustly enrich themselves by causing prices of Crude Oil Futures and Options to be set at artificial levels at Plaintiff's and the Class's expense.

151. It would be inequitable for Defendants to be allowed to retain the benefits which Defendants obtained from their illegal conspiracy to reduce output of shale oil at Plaintiff's and the Class's expense.

152. Plaintiff and the Class are entitled to the establishment of a constructive trust imposed upon the benefits to Defendants from their unjust enrichment and inequitable conduct.

153. In addition, each Defendant should pay restitution for its own unjust enrichment to Plaintiff and the Class.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff on behalf of himself and the proposed Class, respectfully requests the Court enter judgment against Defendant as follows:

A. That the Court certify this lawsuit as a class action under Rules 23(a), (b)(2), and (b)(3) of the Federal Rules of Civil Procedure, that Plaintiff be designated as class representative, and that Plaintiff's counsel be appointed as counsel for the Class;

B. That the unlawful conduct alleged herein be adjudged and decreed to violate Section 1 of the Sherman Act;

C. That Defendants be permanently enjoined and restrained from continuing and maintaining the conspiracy alleged in the Complaint;

D. That the Court award Plaintiff and the Class damages against Defendants for their violations of federal antitrust laws, in an amount to be trebled in accordance with such laws, plus interest;

E. That the Court find that Defendants violated the CEA and award appropriate damages;

F. For injunctive relief enjoining Defendants' anticompetitive conduct;

G. For a constructive trust and disgorgement of ill-gotten profits flowing from Defendants' conduct;

H. For an award to Plaintiff and the Class of their costs of suit, including reasonable attorneys' and experts' fees and expenses; and

I. For such other relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury for all issues so triable.

Dated: June 17, 2025

Respectfully Submitted,

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